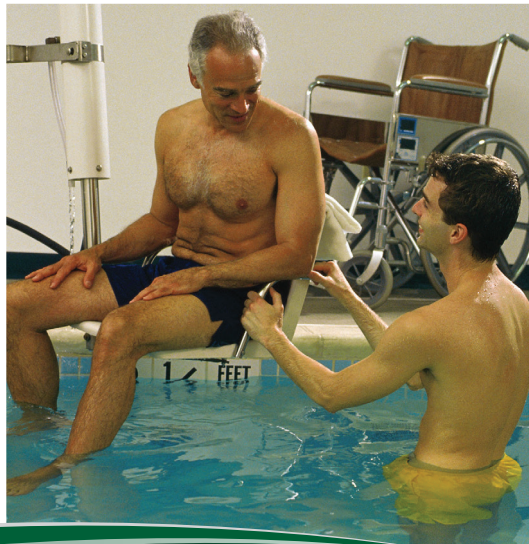
Government of **Western Australia**
Department of **Health**

# Department of Health
# Annual Report







2013–14

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

# Department of Health
# Annual Report

**Department of Health**
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## Statement of Compliance

**HON DR KIM HAMES MLA**
**MINISTER FOR HEALTH**

In accordance with section 61 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 ended 30 June 2014.

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

Professor Bryant Stokes
ACTING DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

16 September 2014

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# Overview of Agency

# Vision statement

## Our vision

Healthier, longer and better quality lives for all Western Australians.

## Our mission

To improve, promote and protect the health of Western Australians by:

- caring for individuals and the community
- caring for those who need it most
- making the best use of funds and resources
- supporting our team.

## Our values

WA Health's Code of Conduct identifies the values that we hold as fundamental in our work and describes how these values translate into action.

Our values can be summarised as:

# Executive summary

WA's public health system, WA Health, performed well for the community in 2013–14, despite strong demand for its services from a fast–growing population and the continuing challenge of delivering the Department of Health's biggest ever infrastructure program.

The period was also my first full-year as Acting Director General after assuming the role in April 2013.

During 2013–14, an important committee – the Transition and Reconfiguration Committee – was formed to help facilitate the task of transferring services and resources to several new hospitals, including Fiona Stanley Hospital and Perth Children's Hospital, which are due to come on stream in the next few years.

The committee will also guide the future transformation of the Department of Health as it responds to changing demographic and economic conditions and, furthermore, to help devolve responsibility throughout the organisation.

The performance of WA Health in 2013–14 was underpinned by long–term planning, regular and ongoing monitoring and review, stronger governance guidelines, and innovative reform from a professional 43,000-strong workforce.

## Delivering a healthy WA

Western Australians as a whole enjoy an excellent standard of health, reflected in life expectancy among the best in the world and infant mortality rates among the lowest in Australia.

The Australian Institute for Health and Welfare report, *The Australian Hospital Statistics 2012–13*, in early 2014 showed WA hospitals were treating more patients than ever before, while still meeting important national performance targets.

During 2013, the WA median wait time for elective surgery is the lowest for all urgency categories, compared to other States and Territories.

WA also continued to lead the country in the proportion of emergency department visits completed in four hours or less which, at 78 per cent, is higher than the national average of 71 per cent.

However, we recognise that sections of the community experience poorer health outcomes and we are resolute in our commitment to improve the health of those who are most in need.

The broad WA community benefits from effective public health programs, responsive health services and hospitals which, in the provision of patient care, meet high standards of safety and quality.

Work continued through the year on the $7 billion infrastructure overhaul that is expanding and transforming hospitals and health facilities across WA, including the construction of Fiona Stanley Hospital, the State's major new tertiary hospital, due to be opened in stages from October 2014.

Also announced in 2013–14 was the reconfiguration of South Metropolitan Health Service to ensure the workforce and resources were ready to operate Fiona Stanley Hospital when it opens.

Included in the reconfiguration was the transfer of the State Rehabilitation Centre from Shenton Park to Fiona Stanley Hospital, due in October 2014; the obstetrics, gynaecology and neonatal services at Kaleeya Hospital to Fiona Stanley Hospital by November 2014; and Fremantle Hospital's emergency department to Fiona Stanley Hospital in 2015.

Our challenge is to use this vast investment in infrastructure to boost productivity and efficiency in our health services. These services are costing more, but the State's revenue base is growing at a slower rate.

A particular focus has been information and communications technology governance and planning, and a professional and consistent approach to procurement.

With those priorities in mind, the Office of Deputy Director General and Office of Chief Procurement Officer were formed to support me in implementing key changes across the governance, performance and procurement processes in WA Health.

In 2013–14 WA Health also acted on the recommendations of the Corruption and Crime Commission's *Report on Fraud and Corruption in Procurement in WA Health: Dealing with the Risks*.

Since the report was tabled in June 2014, WA Health has conducted:

- a comprehensive risk assessment for fraud and corruption in procurement
- developed strategies to ensure compliance
- used risk assessment to inform internal audit and strategic planning and activity
- procurement staff training programs
- policy and procedure reviews to manage conflicts of interest, gifts and benefits, and outside employment.

Throughout these times of significant change, however, WA Health continues to improve its performance and align its efforts to the four key pillars of *WA Health Strategic Intent 2010–15*:

- caring for individuals and the community
- caring for those who need it most
- making the best use of funds and resources
- supporting our team.

## Caring for individuals and the community

WA continues to be at the forefront of tobacco control, with well supported initiatives such as Quitline, the Make Smoking History campaign and WA's own Smoke Free WA Health System Policy.

The Department of Health's tough stance on tobacco and related products was backed by a Supreme Court decision during 2013–14 that resulted in a fine for a retailer selling e–cigarettes.

Focus also continues on health conditions linked to excess body mass. A Department of Health report (*The Cost of Excess Body Mass to the Acute Hospital System in Western Australia 2011*) released during the year found more than $240 million a year, or 5.4 per cent of total hospital costs, was the cost attributed to excess body mass through health conditions such as osteoarthritis, type 2 diabetes, hypertensive disease and congestive heart failure. Initiatives continue to encourage people to "live lighter" to combat this problem.

There was also a free, statewide vaccination program offered to Year 8 students across WA, providing human papillomavirus vaccine, as well as booster doses of diphtheria, tetanus, pertussis and chickenpox vaccines.

Research, again, received strong support in 2013–14, with $8.71 million awarded from three State Government health research funds. Researchers will share $5.96 million of Medical and Health Research Infrastructure Fund grants; six projects will share $1.55 million in Targeted Research Fund grants; and six WA Health clinicians will share $1.2 million of Clinician Research Fellowship funding.

In addition, nearly $3 million was allocated for new initiatives to help Western Australian researchers access a greater share of national research funding and enhance the State's health and medical research capability.

## Caring for those who need it most

WA Health renewed its commitment to closing the gap in life expectancy for Aboriginal people by announcing its new Footprints to Better Health Strategy.

More than 100 dedicated Aboriginal health services will be delivered under the strategy, which combines the former Closing the Gap program and the Indigenous Early Childhood Development programs.

The strategy is supported by the allocation of more than $32.2 million to build on the work already undertaken to close the gap in life expectancy and $2 million for the implementation of the Footprints to Better Health Strategy.

WA Health also contributed a team of professionals, including emergency department nurses, to the Typhoon Haiyan relief effort in the Philippines as part of the second Australian Medical Assistance Team (AusMAT) deployment to provide urgent medical assistance.

Sir Charles Gairdner Hospital became home to Australia's first CyberKnife – a $9 million, technologically advanced weapon in the fight against cancer – which uses high dose radiation to treat certain tumours.

BreastScreen WA launched an online booking system, which is expected to see more than 5,000 additional women screened for breast cancer each year.

There was record investment in school health, with the first of 155 new school health staff starting work in WA schools. There will be $38 million in funding over four years for additional school health staff across the State, most of whom will be based in regional teams servicing a number of schools in each area.

## Making the best use of our funds and resources

This was the last year of Australian Government funding under the old system before the key national reform of Activity Based Funding takes hold from July 2014. This will benchmark our performance against other States and affect the amount of funding we receive from the Australian Government.

To be in the best position for this new funding regime, WA Health has focussed on improvements across the board, but especially in information and communication technology governance and planning, and adopting a professional and consistent approach to procurement.

As mentioned previously, more than $7 billion has been invested in 80 infrastructure projects, including the flagship Fiona Stanley Hospital and Perth Children's Hospital.

The metropolitan area also welcomed investment in a new $15 million 37–bed paediatric ward for the northern suburbs, based at Joondalup Health Campus.

In regional areas, major upgrades have been completed or are planned at 24 regional and remote facilities, including:

- construction of the $31.3 million redevelopment of the Esperance Health Campus
- expansion of the Albany Health Campus, which in its first year saw tens of thousands of people benefit from improved healthcare closer to home
- the Emergency Telehealth System, which treated more than 4,500 people in regional WA in its first 18 months of operation. Further expansion of this initiative will help provide sustainable, efficient emergency services in regional WA.

Also the Southern Inland Health Initiative received an additional $1.9 million in grants to boost primary health services in the Wheatbelt and Central Great Southern.

## Supporting our team

People are WA Health's greatest asset and attracting and retaining the best people into the workforce is vital to maintaining a quality health system.

The goal is to have the right doctors, nurses and allied health staff, in the right numbers, in the right places and at the right time to meet the challenging health needs of our State.

The WA Health workforce is facing significant challenges, including the transfer and reconfiguration of people and resources to new hospitals, most significantly Fiona Stanley Hospital and Perth Children's Hospital.

Several specialised transition management systems and databases were developed to help manage and streamline this staff transition process.

WA Health is also developing a 10–year strategic workforce plan, based on the *WA Health Clinical Services Framework 2010–2020*, which will ensure workforce planning is aligned with demand.

Staff retention is another important factor as it has a direct, costly and significant impact on the capacity of WA Health to deliver its quality services. Environmental factors such as the ageing population, the increase in competition in the labour market and the skills shortage in the health sector means that the need for WA Health to focus on improving retention levels is more critical than ever.

To advance greater Aboriginal employment and healthcare inclusion, the revitalised *WA Health Aboriginal Health Workforce Strategy 2014–2024* continues to fund and support leadership programs such as Aboriginal nursing cadetships, nurse mentors, and career and course transition pathways.

Significant workforce challenges are also being faced by the mental health sector. The current workforce is inadequate to meet the mental health needs of WA.

We also have to ensure the WA country community has adequate access to primary health care. WA Health has conducted a concerted and ongoing recruitment drive, resulting in 186 new permanent doctors who have commenced in WA Country Health Service hospitals since 2012.

Professor Bryant Stokes
**Acting Director General**
**DEPARTMENT OF HEALTH**

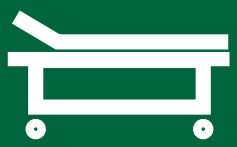
# WA at a glance

**22,529**
babies were born in a WA public hospital in 2013

WA males are expected to live to **81.2** years of age and females to **85.3** years of age

**1,745**
deaths in WA are caused by coronary heart disease each year

**11,939**
people in WA are diagnosed with cancer each year



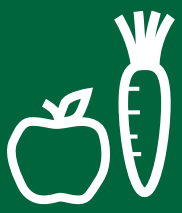
**54%**
of all potentially preventable hospitalisations in WA were due to chronic conditions

**29.7%**
of 16–24 year olds in WA consume alcohol at high risk of short term harm

**10,477**
children in WA are estimated not to live in a smoke free home

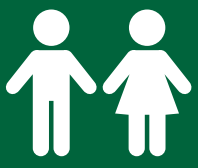
**51.1%**
of WA children do not undertake sufficient physical activity

**28.3%**
of adults living in WA are obese



**93.4%**
of adults in WA do not eat two serves of fruit and five serves of vegetables daily

**26%**
16–24 year olds in WA experienced a mental health problem in 2013–14



**70.9%**
of Year 8 students were fully immunised against Human Papillomavirus during 2013

# Operational structure

## Enabling legislation

The Department of Health is established by the Governor under section 35 of the *Public Sector Management Act 1994*. The Director General of Health is responsible to the Minister for Health for the efficient and effective management of the organisation. The Department of Health supports the Minister in the administration of 26 Acts and 82 sets of subsidiary legislation.

## Administered legislation

### Acts administered

- *Anatomy Act 1930*
- *Blood Donation (Limitation of Liability) Act 1985*
- *Cremation Act 1929*
- *Fluoridation of Public Water Supplies Act 1966*
- *Food Act 2008*
- *Health Act 1911*
- *Health Legislation Administration Act 1984*
- *Health Practitioners Regulation National Law (WA) Act 2010*
- *Health Professionals (Special Events Exemption) Act 2000*
- *Health Services (Quality Improvement) Act 1994*
- *Hospitals and Health Services Act 1927*
- *Human Reproductive Technology Act 1991*
- *Human Tissue and Transplant Act 1982*
- *Mental Health Act 1996*
- *Mental Health (Consequential Provisions) Act 1996* sections 53–72 inclusive
- *National Health Funding Pool Act 2012*
- *Nuclear Waste Storage and Transportation (Prohibition) Act 1999*
- *Pharmacy Act 1964*
- *Poisons Act 1964*
- *Prostitution Act 2000* (Act other than s.62 and Part 5)
- *Queen Elizabeth II Medical Centre Act 1966*
- *Radiation Safety Act 1975*
- *Surrogacy Act 2008*
- *Tobacco Products Control Act 2006*
- *University Medical School Teaching Hospitals Act 1955*
- *White Phosphorous Matches Prohibition Act 1912*

### Acts passed during 2013–14

- *Queen Elizabeth II Medical Centre Amendment Act 2013*
- *Hospitals and Health Services Amendment Act 2013*

### Bills in Parliament as at June 2013–14

- Medicines, Poisons and Therapeutic Goods Bill 2013
- Mental Health Bill 2013

### Amalgamation and establishment of Boards

A Ministerial Board for Fiona Stanley Hospital was established on 11 April 2014.

On 13 June 2014, instruments were published in the *Government Gazette* for the Fiona Stanley Hospital Board to be amalgamated into the Metropolitan Health Service Board, with the effective date of amalgamation being 1 July 2014.

## Accountable authority

The Acting Director General of Health, Professor Bryant Stokes, is the accountable authority for the Department of Health.

## Responsible Minister

The Department of Health is responsible to the Minister for Health, the Hon. Dr Kim Hames.

## WA Health structure

WA Health encompasses five health service areas:

1. Department of Health
2. Metropolitan Health Service
3. WA Country Health Service
4. Quadriplegic Centre
5. Queen Elizabeth II Medical Centre Trust (see Figure 1).

Each service area is composed of health service providers and/or support service providers. The Quadriplegic Centre and the Queen Elizabeth II Medical Centre Trust are responsible for submitting their own annual reports.

Figure 1: **WA Health structure**

<table>
<tr><th colspan="4">WA Health</th></tr>
<tr><th>Department of Health</th><th>Metropolitan Health Service</th><th>WA Country Health Service</th><th rowspan="2">Queen Elizabeth II Medical Centre Trust</th></tr>
<tr><td>■ Office of the Director General<br>■ System Policy and Planning<br>■ Performance, Activity and Quality<br>■ Resource Strategy<br>■ Public Health and Clinical Services<br>■ Innovation and Health System Reform<br>■ Office of the Chief Medical Officer<br>■ Office of Mental Health<br>■ Office of the Chief Psychiatrist<br>■ Health Information Network<br>■ Health Corporate Network</td><td>■ North Metropolitan Health Service (includes Dental Health Services and PathWest laboratory Medicine WA)<br>■ South Metropolitan Health Service<br>■ Child and Adolescent Health Service</td><td>■ Aboriginal Health<br>■ Clinical Reform<br>■ Corporate Services<br>■ Executive Services<br>■ Infrastructure<br>■ Medical Services<br>■ Nursing and Midwifery<br>■ Primary Health and Engagement</td><td>Quadriplegic Centre</td></tr>
</table>

## WA Health management structure

The State Health Executive Forum is the highest decision making body within the Department of Health, and advises the Director General. This advisory group includes the Chief Executives from the Metropolitan Health Service and the WA Country Health Service. Further information on the management structure of the Metropolitan Health Service and the WA Country Health Service is available in the Metropolitan Health Service and the WA Country Health Service Annual Reports, 2013–14.

Figure 2: **State Health Executive Forum management structure**

## Senior officers

Senior officers and their area of responsibility for the Department of Health as at 30 June 2014 are listed in Table 1.

Table 1: **Department of Health senior officers**

| Area of responsibility | Title | Name | Basis of appointment |
|---|---|---|---|
| Department of Health | Acting Director General | Prof. Bryant Stokes | Term contract |
| Department of Health | Deputy Director General | Rebecca Brown | Term contract |
| Innovation and Health System Reform | Operational Director | Gail Milner | Term contract |
| Office of the Chief Medical Officer | Chief Medical Officer | Prof. Gary Geelhoed | Term contract |
| Office of the Chief Psychiatrist | Chief Psychiatrist | Dr Nathan Gibson | Term contract |
| Office of the Director General | Director | Patsy Turner | Term contract |
| Office of Mental Health | Acting Executive Director | Kingsley Burton | Acting |
| Performance, Activity and Quality | Acting Executive Director | Beress Brooks | Acting |
| Public Health and Clinical Services | Executive Director | Prof. Tarun Weeramanthri | Term contract |
| Resource Strategy | Executive Director | Wayne Salvage | Term contract |
| Resource Strategy | Group Director Finance (Chief Finance Officer) | Graeme Jones | Term contract |
| System Policy and Planning | Executive Director | Vacant | Vacant |

## Roles and responsibilities

### Office of the Director General

#### Key responsibilities

Support to the Director General in both the role as the head of the Department of Health and as the delegate of the Health Service Boards.

#### Mission

Support the Director General of Health through the:

- establishment and management of processes, guidelines and communications to ensure that the WA Health System meets all ministerial, parliamentary and inter-agency requirements
- provision of business support services (Human Resources, Corporate Governance, and Communications Directorate) to the Department of Health divisions
- provision of secretariat for key coordination meetings and the Health Service Board meetings.

## Public Health and Clinical Services

### Key responsibilities

Provision of policy, regulatory, and educational services in the public health domain, as well as advisory, regulatory, workforce planning and advocacy services in the clinical domain.

### Mission

Ensure comprehensive and coordinated leadership, policy and strategies in respect to public health and healthcare professions and ensure the provision of public health services and achievement of outcomes through:

- leadership in innovation, advice, information and guidance on system, clinical and workforce issues through a Chief Nursing and Midwifery Officer and Chief Health Professions Office
- advice and advocacy on public health, pharmaceutical issues and genomics
- regulatory support associated with public health and pharmaceuticals
- surveillance, control and prevention of communicable diseases
- assessment, correction, control and prevention of environmental factors affecting health
- disaster preparedness and management
- prevention of chronic disease and injury
- provision of linked data and epidemiological information and advice.

## Performance, Activity and Quality

### Key responsibilities

- Administering economic modelling tools, resource allocation methodologies and performance management processes required for the purchase of publicly funded health services.
- Governance and procurement of community services.
- Ensuring the delivery of safe high quality healthcare to the WA Community through the establishment of safety and quality regulations and guidelines, monitoring of clinical incidents and the licensing of non-government healthcare providers.

### Mission

Ensure safety and quality of health services in WA and purchasing of required State funded health services, through:

- establishment of safety and quality regulations and guidelines
- specifying and contracting for the delivery of State funded health services through the service agreements with the Metropolitan Health Service and WA Country Health Service
- reporting and monitoring of performance in the delivery of State funded health services
- licensing and regulation of non-government healthcare providers
- regulating the Australian Health Service Safety and Quality Accreditation Scheme in WA
- maintaining statewide patient data collections to support planning, resource allocation, performance reporting and research
- implementation of health reform initiatives within the National Health Reform Agreement and participation on national committees
- provision of advice to WA Health on the practices around the appropriate collection, storage, use and disposal of health information
- provision of a statewide reporting and monitoring function for clinical incidents, adverse events and sentinel events

- procurement of value for money community services that deliver demonstrable improvements in health outcomes.

### Resource Strategy

#### Key responsibilities

Securing appropriate workforce, financial and infrastructure resources and coordinating the interface with the Australian Government and WA central agencies.

#### Mission

Ensure services are delivered efficiently and within approved budget parameters, working with partners in State Government and WA Health, through:

- securing appropriate resources (workforce, financial and infrastructure) for WA Health to deliver its agreed levels of service
- articulation of WA's particular health needs and priorities at the national level.

### System Policy and Planning

#### Key responsibilities

Analysing and understanding health service trends and directions, modelling and analysing health system data and the development of health system policies, plans and strategies. Particular areas of responsibility include oversight of the Health Strategy Network, Cancer and Palliative Care Network, and Aboriginal Health.

#### Mission

Set the strategic direction for the WA Health system towards improvement in health outcomes, through:

- consultation with the State Government, the community and healthcare providers and managers, including through the Clinical Senate
- analysis of current and future clinical directions through Health Networks and other key stakeholders
- establishment of system health goals and targets
- development of relevant system-wide policies
- input into the implementation of policies and plans
- work with the Director General to ensure leadership in innovation, advice, information and guidance on health services for Aboriginal people
- advice to all stakeholders on strategic health system directions
- implementing strategies and activities in the areas of prevention, screening and early detection, equitable access to treatment, sustainability, efficiency and effectiveness of cancer control activities
- provision of leadership to build the capacity of WA Health to deliver a culturally responsive and non-discriminatory health system.

## Innovation and Health System Reform

### Key responsibilities

The role of the Innovation and Health System Reform is to provide leadership, coordination and expertise to expedite clinical change and reform. The current work program of Innovation and Health System Reform consists of a large variety of system-level clinical change and reform projects that have been identified by the Director General and/or health service executives to deliver benefits to the WA public health system.

Innovation and Health System Reform consists of three Directorates/Units

1. Health System Improvement Unit
2. Aged and Continuing Care Directorate
3. Strategic System Support.

### Mission

The three Directorates/Units are responsible for:

- providing strategic analysis, change facilitation, and directly supporting and coaching leaders
- providing support and direction in the health system to assist with reform, process improvement and service change programs
- managing clinical change initiatives and reform projects aimed at improving health service delivery throughout WA
- progressing reform initiatives across WA Health in the areas of aged and community care services, hospital demand management strategies and the interface between hospital, community and residential care
- promoting and implementing policy development to drive reform across the system in core areas of aged and community services
- continuing WA's development of the State health call centre whilst bringing the service in line with the National Health Call Centre telephone and e-health services
- demographic, epidemiological and utilisation modelling and analysis
- development of a WA clinical services framework to guide more detailed planning, resourcing, purchasing and service delivery.

## Office of the Chief Medical Officer

The Office of the Chief Medical Officer is responsible for: research development; blood, drugs and health technology; reproductive technology; medical workforce and the Postgraduate Medical Council of WA. In addition, the office oversees the Interstate Patient Transfer Scheme and the Consent to Medical Treatment project.

Functions of these areas include:

- Research Development Unit – provides a number of funding streams to support clinical and health research, provides infrastructure grants and institute support, supports high performing researchers through awards and fellowships, provides research governance and leadership, and provides intellectual property management support.
- Blood, Drugs and Technology Unit – coordinates the Patient Blood Management Program, develops policies on health technologies (equipment, medical devices and procedures) and evaluates proposed technologies expected to exceed $1 million annually or in capital costs, provides support for the WA Policy Advisory Committee on Technology and provides support and advice to the WA Medication Safety Group and the WA Therapeutic Advisory Group.

- Reproductive Technology Unit – provides fertility related information and resources to the community; maintains the Voluntary Register for donor-conceived persons, parents of donor-conceived children and donors; and supports the operation of the Reproductive Technology Council which oversees the regulation of Assisted Reproductive Technology in WA.
- Aboriginal Health – develops and implements Aboriginal specific policy to improve outcomes in health for Aboriginal people and communities, and drives a series of Aboriginal workforce, cultural learning and Aboriginal leadership initiatives to build the capacity of WA Health to deliver a culturally responsive and non-discriminatory health system.
- Medical Workforce – conducts strategic research, planning and projects to help ensure that the medical workforce in WA's public health system is of appropriate size and composition to meet healthcare needs.
- Postgraduate Medical Council of WA – this independent council, established by the WA Minister for Health in 2003, provides leadership for early postgraduate medical education and training in WA.
- Interstate Patient Transfer Scheme to assist patients to access services interstate which are unavailable within WA.
- The Consent to Medical Treatment project which includes Advance Care Planning and Advance Health Directives.

### Office of Mental Health

The Office of Mental Health leads the strategic planning, coordination, review and reform of public mental health services, including the implementation of the *Stokes Review (2012)* of the admission or referral to and the discharge and transfer practices of public mental health facilities/services in WA.

The Office of Mental Health's role in the reform of public mental health services includes:

- mental health workforce development
- professional development and leadership programs
- promoting and supporting service growth and service provision
- building resources and knowledge to improve evidence-based care and facilitate innovation
- overseeing development and implementation of Mental Health information systems for patient management, performance reporting and compliance management
- standardising mental health clinical documentation and policies
- contributing to the development of a Mental Health Commission led WA Mental Health and Alcohol and Other Drug Services Plan that will guide the development of public mental health services in WA over the next 10 years
- advice to the Director General and Ministers for Health and Mental Health
- overseeing and managing implementation of the *Stokes Review (2012)* recommendations in partnership with the Mental Health Commission and other key stakeholders
- facilitation of a Department of Health Mental Health Bill Implementation Group, which meets fortnightly to plan the implementation of the new Mental Health Bill 2013.

In addition, the Office of Mental Health participates in state and national planning processes, in mental health budget negotiations with the Mental Health Commission and other key stakeholders, and supports activity based funding and management budget reform for mental health services.

### Office of the Chief Psychiatrist

The Office of the Chief Psychiatrist provides advice to the Director General and the Ministers for Health and Mental Health, and has a key advisory role in the development of new mental health legislation.

The office monitors standards of mental health care throughout the state and participates in state and national committees, working groups and advisory groups relating to matters of safety and quality. The Office of the Chief Psychiatrist manages complaints and concerns, including those regarding the standards of psychiatric care and physical care in mental health services, and monitors actions against coronial recommendations. The Office of the Chief Psychiatrist also has responsibilities in ensuring patients are informed, and in supporting clinicians. The office does this through the publication of information pamphlets, a clinical helpdesk, and by providing practitioner training and education sessions regarding new medications and adverse reactions and the *Mental Health Act 1996*.

### Health Information Network

The Health Information Network provides development, support and maintenance of information and communications technology infrastructure and enterprise-wide applications across the health sector.

It also provides desktop support to its users, records management and library services across WA Health.

The Department of Health's *Information & Communication Technology Strategy 2010–2020* provides the framework to ensure that future information communication technology application and infrastructure development meets WA Health business and clinical outcomes.

### Health Corporate Network

Health Corporate Network provides human resources, supply, finance and reporting and business system services to WA Health.

## Performance management framework

To comply with its legislative obligation as a WA government agency, WA Health operates under the Outcome Based Management performance 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 goal. WA Health's key performance indicators measure the effectiveness and efficiency of the health services provided by WA Health in achieving the stated desired health outcomes.

All WA Health reporting entities contribute to the achievement of the outcomes through health services delivered either directly by the entities or indirectly through contracts with non-government organisations.

WA Health's outcomes and key performance indicators for 2013–14 are aligned to the State Government goal of "greater focus on achieving results in key service delivery areas for the benefit of all Western Australians" (see Figure 3).

The WA Health outcomes for achievement in 2013–14 are as follows:

***Outcome 1:*** *Restoration of patients' health, provision of maternity care to women and newborns, and support for patients and families during terminal illness*

***Outcome 2:*** *Enhanced health and wellbeing of Western Australians through health promotion, illness and injury prevention and appropriate continuing care*

The health service activities that are aligned to Outcome 1 and 2 are cited below (see Figures 3 and 4).

Activities related to Outcome 1 aim to:

1. Provide quality diagnostic and treatment services that ensure the maximum restoration to health after an acute illness or injury.
2. Provide appropriate after-care and rehabilitation to ensure that people's physical and social functioning is restored as far as possible.
3. Provide appropriate obstetric care during pregnancy and the birth episode to both mother and child.
4. Provide appropriate care and support for patients and their families during terminal illness.

Activities related to Outcome 2 aim to:

1. Increase the likelihood of optimal health and wellbeing by:
   - providing programs which support the optimal physical, social and emotional development of infants and children
   - encouraging healthy lifestyles (e.g. diet and exercise).
2. Reduce the likelihood of onset of disease or injury by:
   - immunisation programs
   - safety programs.
3. Reduce the risk of long-term disability or premature death from injury or illness through prevention, early identification and intervention, such as:
   - programs for early detection of developmental issues in children and appropriate referral for intervention
   - early identification and intervention of disease and disabling conditions (e.g. breast and cervical cancer screening; screening of newborns) with appropriate referrals

- programs that support self-management by people with diagnosed conditions and disease (e.g. diabetic education)
- monitor the incidence of disease in the population to determine the effectiveness of primary health measures.

4. Provide continuing care services and programs that improve and enhance the wellbeing and environment for people with chronic illness or disability, enabling people with chronic illness or disability to maintain as much independence in their everyday life as their illness or disability permits, supporting people in their homes for as long as possible and providing extra care when long-term residential care is required. Services and programs are delivered to:
   - ensure that people experience the minimum of pain and discomfort from their chronic illness or disability
   - maintain the optimal level of physical and social functioning
   - prevent or slow down the progression of the illness or disability
   - enable people to live, as long as possible, in the place of their choice supported by, for example, home care services or home delivery of meals
   - support families and carers in their roles
   - provide access to recreation, education and employment opportunities.

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

Figure 3: **Outcomes and key effectiveness indicators aligned to the State Government goal for the Department of Health**

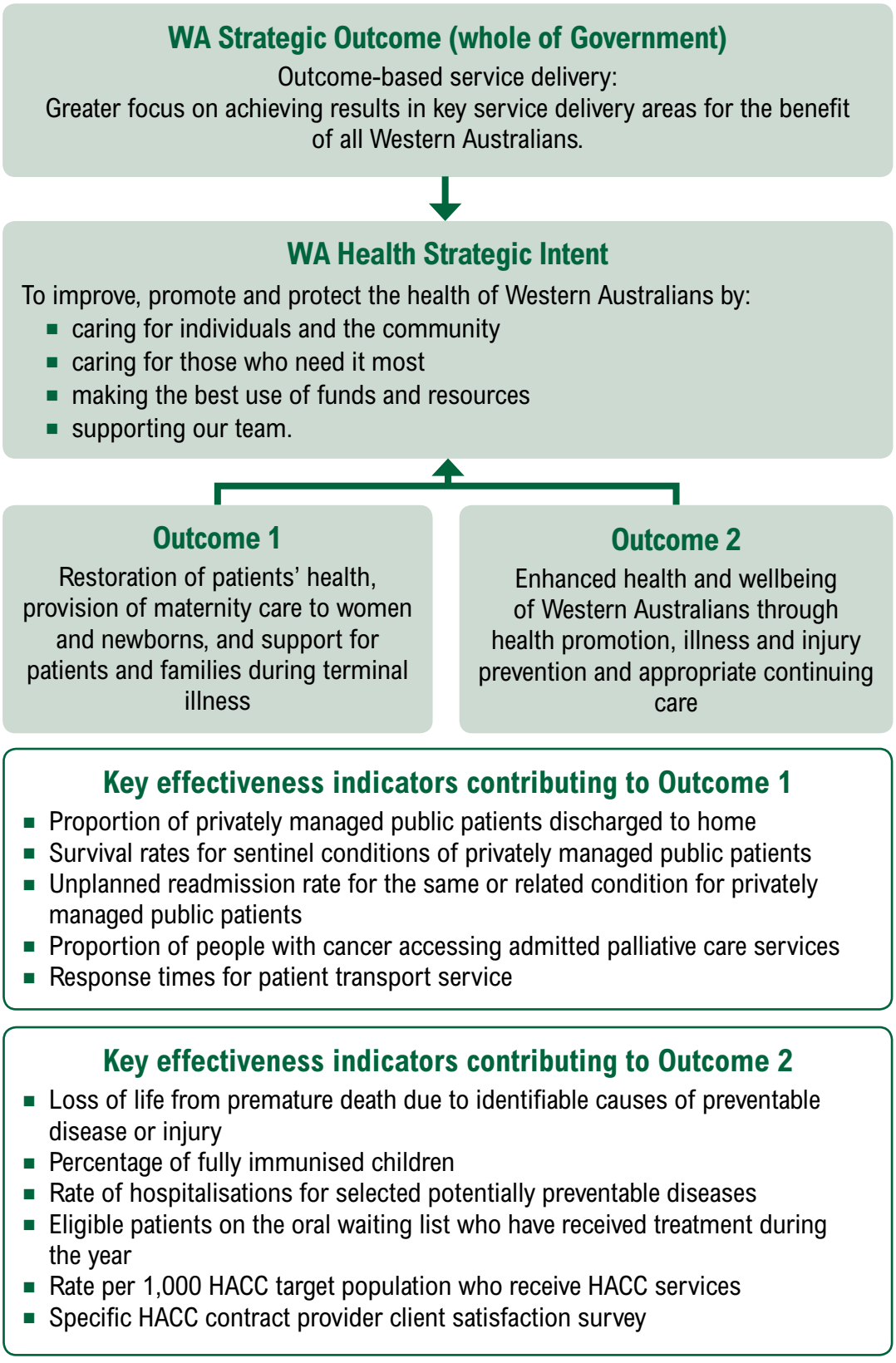


Figure 4: **Services delivered to achieve WA Health outcomes and key efficiency indicators for the Department of Health**

### Outcome 1

Restoration of patients' health, provision of maternity care to women and newborns, and support for patients and families during terminal illness

### Outcome 2

Enhanced health and wellbeing of Western Australians through health promotion, illness and injury prevention and appropriate continuing care

### Services delivered to achieve Outcome 1

1. Public hospital admitted patients
2. Home based hospital programs
3. Palliative care
4. Emergency department
5. Public hospital non-admitted patients
6. Patient transport

### Services delivered to achieve Outcome 2

7. Prevention, promotion and protection
8. Dental health
9. Continuing care
10. Contracted mental health

### Key efficiency indicators for services within Outcome 1

- Average cost of public admitted patient treatment episodes in private hospitals
- Cost per capita of supporting treatment of patients in public hospitals
- Average cost per Home-based Hospital Day of care and occasion of service
- Average cost per client receiving contracted palliative care services
- Cost per capita of Royal Flying Doctor Service Western Operations and St John Ambulance Australia – WA Ambulance Service Agreements

### Key efficiency indicators for services within Outcome 2

- Cost per capita of providing preventive interventions, health promotion and health protection activities
- Average cost per dental service provided by the Oral Health Centre of Western Australia
- Average cost per person of HACC services delivered to people with long term disability
- Average cost per transition care day
- Average cost per day of care for non-acute admitted continuing care
- Average cost to support patients who suffer specific chronic illness and other clients who require continuing care

# Agency Performance

# Financial

The total cost of providing health services to WA in 2013–14 was $7.4 billion. Results for 2013–14 against agreed financial targets (based on Budget statements) are presented in Table 2.

Full details of the Department of Health's financial performance during 2013–14 are provided in the Financial statements.

Table 2: **Actual results versus budget targets for WA Health**

| Financial | 2013–14 Target $'000 | 2013–14 Actual $'000 | Variation $ +/– |
|---|---|---|---|
| Total cost of service | 7,562,797 | 7,424,416 | -138,381 |
| Net cost of service | 4,531,942 | 4,373,407 | -158,535 |
| Total equity | 8,423,348 | 8,766,188 | 342,840 |
| Net increase/decrease in cash held | (16,474) | 110,780 | 127,254 |
| Approved full time equivalent staff level | 4,191,586 | 4,243,667 | 52,081 |

**Note:** 2013–14 targets are specified in the 2013¬–14 Budget Statements.
**Data source/s:** Budget Strategy Branch, Health Corporate Network.

# Summary of key performance indicators

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

A summary of the Department of Health key performance indicators and variation from the 2013–14 targets is given in Table 3.

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

Table 3: **Actual results versus KPI targets**

| Key performance indicators | 2013–14 Target | 2013–14 Actual | Variation |
|---|---|---|---|
| **Outcome 1: Restoration of patients' health, provision of maternity care to women and newborns, and support for patients and families during terminal illness.** | | | |
| **Key effectiveness indicators:** | | | |
| Proportion of privately managed public patients discharged to home | ≥98.8% | 98.8% | 0.0 |
| Survival rates for sentinel conditions of privately managed public patients for: | | | |
| Stroke | ≥85.1% | 86.8% | 1.7 |
| Acute Myocardial Infarction (AMI) | ≥98.1% | 95.7% | 2.4 |
| Fractured neck or femur (FNOF) | ≥98.7% | 94.8% | 3.9 |
| Unplanned readmission rate for the same or related condition for privately managed public patients | ≤0.3% | 1.2% | 0.9 |
| Proportion of people with cancer accessing admitted palliative care services | 49.1% | 52.7% | 3.6 |
| Response times for patient transport services: | | | |
| Priority 1 calls attended within 15 minutes | 90% | 93.2% | 3.2 |
| Inter-hospital transfers meeting the target contract patient response time | 80% | 79.8% | 0.2 |
| **Key efficiency indicators:** | | | |
| Average cost of public admitted patient treatment episodes in private hospitals | $2,927 | $2,785 | $142 |
| Cost per capita of supporting treatment of patients in public hospitals | $30.92 | $29.68 | $1.24 |
| Average cost per home based hospital day of care | $301 | $371 | $70 |
| Average cost per home based occasion of service | $118 | $129 | $11 |
| Average cost per client receiving contracted palliative care services | $6,599 | $5,153 | $1,446 |
| Cost per capita of Royal Flying Doctor Service Western Operations and St John Ambulance Western Australia Service Agreements | $63.75 | $65.25 | $1.50 |
| **Outcome 2: Enhanced health and well-being of Western Australians through health promotion, illness and injury prevention and appropriate continuing care.** | | | |
| **Key effectiveness indicators:** | | | |
| Loss of life from premature death due to identifiable causes of preventable disease or injury: | | | |
| Falls | 0.2 | 0.3 | 0.1 |
| Ischaemic heart disease | 2.7 | 2.3 | 0.4 |
| Melanoma | 0.5 | 0.6 | 0.1 |
| Lung cancer | 1.9 | 1.7 | 0.2 |
| Percentage of fully immunised children | ≥90% | 90.2% | 0.2 |

| Key performance indicators | 2013–14 Target | 2013–14 Actual | Variation |
|---|---|---|---|
| Rate of hospitalisations for selected potentially preventable diseases | | | |
| Whooping Cough (Pertussis) | None | 10.0 | |
| Measles | | 0.0 | |
| Mumps | | 0.2 | |
| Hepatitis B | | 0.5 | |
| Eligible patients on the oral waiting list who have received treatment during the year: | | | |
| General practice | 1,541 | 1,264 | 277 |
| Oral surgery | 2,116 | 2,544 | 428 |
| Orthodontics | 2,429 | 2,076 | 353 |
| Paedodontics | 670 | 781 | 111 |
| Periodontics | 604 | 534 | 70 |
| Other | 790 | 1,200 | 410 |
| Percentage of clients maintaining or improving functional ability while in transition care | 65% | 68% | 3 |
| Rate per 1000 Home and Community Care target population who receive Home and Community Care services | 347 | 362 | 15 |
| Specific Home and Community Care contract provider client satisfaction survey: | | | |
| Helps them to be independent | 85% | 89.0% | 4.0 |
| Improves the quality of life | 85% | 93.9% | 8.9 |
| **Key efficiency indicators:** | | | |
| Cost per capita of providing preventive interventions, health promotion and health protection activities | $56.37 | $55.01 | $1.36 |
| Average cost per dental service provided by the Oral Health Centre of WA | $145 | $150 | $5 |
| Average cost per person of Home and Community Care services delivered to people with long term disability | $3,649 | $3,745 | $96 |
| Average cost per transition care day | $272 | $282 | $10 |
| Average cost per day of care for non-acute admitted continuing care | $667 | $751 | $84 |
| Average cost to support patients who suffer specific chronic illness and other clients who require continuing care | $48.93 | $49.28 | $0.35 |

# Patient Evaluation of Health Services survey

## Background

Throughout the 2013–14 financial year, WA Health surveyed thousands of people who spent time in hospital or attended an emergency department, about their experiences in the WA health system. WA Health initiated the Patient Evaluation of Health Services survey in 1997 to gauge patient satisfaction levels. Since 2004–2005 it has been conducted by telephone, resulting in high response and participation rates.

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

- Access – getting into hospital
- Time and care – the time and attention paid to patient care
- Consistency – continuity of care
- Needs – meeting the patient's personal needs
- Informed – information and communication
- Involvement – involvement in decisions about care and treatment
- Residential – residential aspects of the hospital.

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

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

## Results

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

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

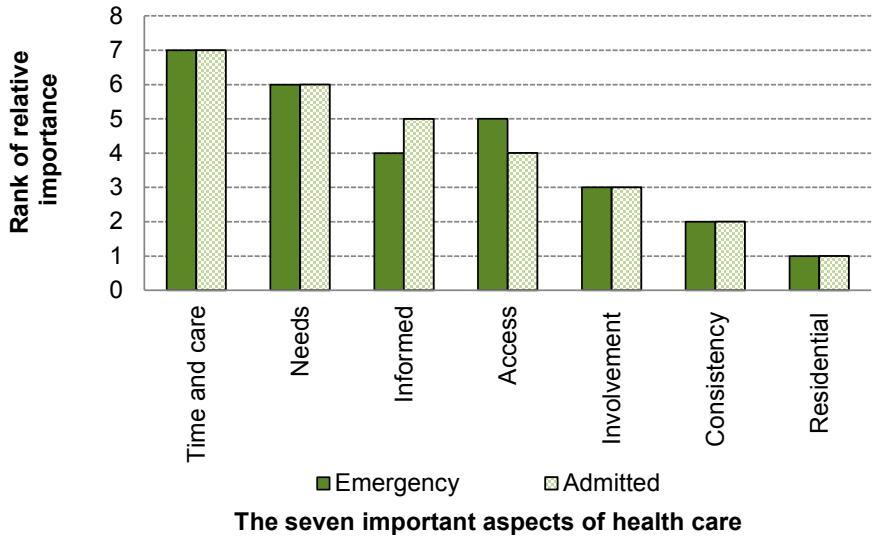
In 2013–14, the survey participation rate was 95 per cent with 1,375 emergency department patients and 4,914 admitted patients interviewed about their emergency department visit or hospital stay.

[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.

## Order of importance of aspects of health care

In 2013–14, the same aspects of health care were ranked as most important (i.e. time and care) and least important (i.e. residential) by both emergency department and admitted patients (see Figure 5). The two patient groups varied in their ranking of informed and access.

Figure 5: **The seven aspects of health care ranked by emergency department and admitted patients from most important (7) to least important (1), 2013–14**




## Satisfaction with the aspects of health care

Each year, mean satisfaction scores are compiled and compared with the scores of previous years to determine if patient satisfaction with each of the aspects of health care is increasing, decreasing, or remaining the same over time.

In 2013–14, for emergency department patients, the time and care scale had the highest satisfaction score and the involvement scale had the lowest score (see Table 4). There were no significant differences in satisfaction scale scores for emergency department patients in 2013–14 when compared with previous years' scores.

Table 4: **Emergency department patients' mean scale scores, by aspect of health care, 2011–12 to 2013–14**

| Emergency department patients (16–74 years) | | | |
|---|---|---|---|
| **Scale** | **2011–12** | **2012–13** | **2013–14** |
| **Time and care** | 88.9 | 87.7 | **88.6** |
| **Informed** | 83.4 | 83.0 | **83.7** |
| **Needs** | 83.1 | 83.1 | **83.2** |
| **Consistency** | 77.1 | 76.9 | **77.8** |
| **Access** | 69.9 | 69.9 | **69.8** |
| **Residential** | 62.2 | 60.9 | **61.8** |
| **Involvement** | 59.0 | 59.9 | **61.3** |

In 2013–14 for admitted patients, the needs scale had the highest satisfaction score and the residential scale had the lowest score. The 2013–14 access scale was significantly higher when compared to 2012–13 and 2011–12, and the 2013–14 score for the involvement scale was significantly higher when compared to 2011–12 (see Table 5). There were no other significant differences.

Table 5: **Admitted patients' mean scale scores, by aspect of health care, 2011–12 to 2013–14**

| Admitted patients (16–74 years) | | | |
|---|---|---|---|
| **Scale** | **2011–12** | **2012–13** | **2013–14** |
| **Needs** | 91.2 | 90.7 | **90.5** |
| **Time and care** | 88.2 | 87.7 | **87.9** |
| **Informed** | 83.3 | 83.6 | **83.9** |
| **Involvement*** | 70.4↑ | 74.2 | **74.5** |
| **Consistency** | 71.6 | 71.2 | **72.2** |
| **Access** | 68.5↑ | 69.2↑ | **70.3** |
| **Residential** | 62.6 | 62.7 | **63.4** |

**Notes:**
↑ Indicates that the mean scale score for 2013–14 is significantly higher than the comparison score.
↓ Indicates that the mean scale score for 2013–14 is significantly lower than comparison score.
* The question "were you provide with, or offered a copy of the Patient First booklet or Patient First pamphlets?" does not contribute to the involvement scare score for 2012–13 or 2013–14.

## Comparison across the State

The mean satisfaction scale scores for admitted patients are presented for the State as a whole, and for metropolitan and country hospitals.

In 2013–2014 the scores for the access, and residential scale scores were significantly lower for patients attending metropolitan hospitals when compared to the State, and for patients attending country hospitals the access, consistency, and residential scale scores were significantly higher when compared to the State (see Table 6).

Table 6: **Admitted patients' mean scale scores, by location, 2013–14**

| Scale | State | Metro | Country |
|---|---|---|---|
| Needs | 90.5 | 90.1 | 91.1 |
| Time and care | 87.9 | 87.4 | 88.5 |
| Informed | 83.9 | 83.5 | 84.4 |
| Involvement | 74.5 | 73.4 | 75.7 |
| Consistency | 72.2 | 70.7 | 74.0↓ |
| Access | 70.3 | 67.7↑ | 73.5↓ |
| Residential | 63.4 | 60.9↑ | 66.3↓ |

**Note:**
↑ Indicates that the mean scale score for 2013–14 is significantly higher than the comparison score.
↓ Indicates that the mean scale score for 2013–14 is significantly lower than comparison score.

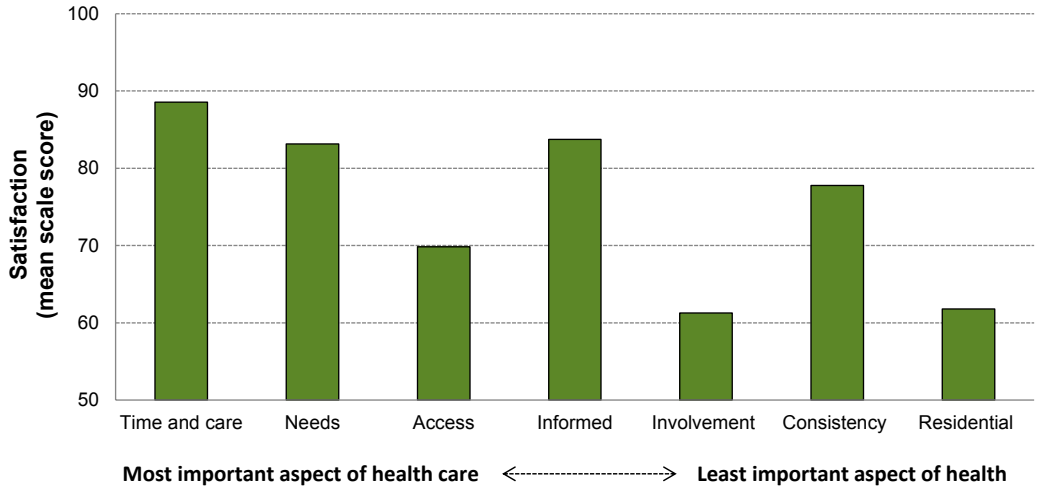
## Comparing importance with the satisfaction of aspects of health care

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 2013–14, emergency department adult patients ranked time and care as the most important aspect of health care and they were also most satisfied with this aspect.

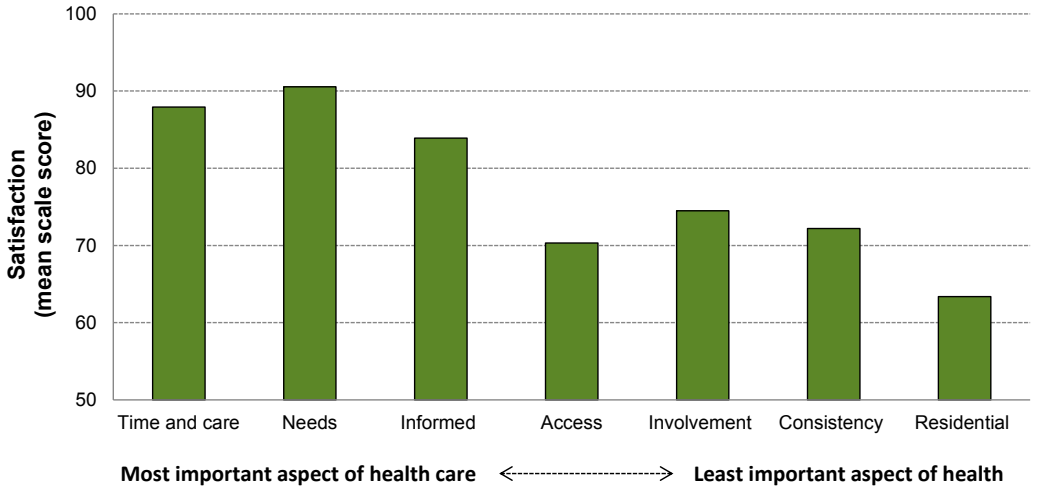
This patient group ranked involvement as the fifth most important aspect of health care, but the aspect of emergency department care with which they were least satisfied (see Figure 6).

Figure 6: **Satisfaction with aspects of health care by rank of importance, emergency department patients, 16–74 years, 2013–14**




In 2013–14, admitted patients ranked time and care as the most important aspect of health care, however in terms of satisfaction, this aspect was rated second. Admitted patients ranked residential as the least important aspect of health care, and it was also rated as the aspect of health care with which they were least satisfied (see Figure 7).

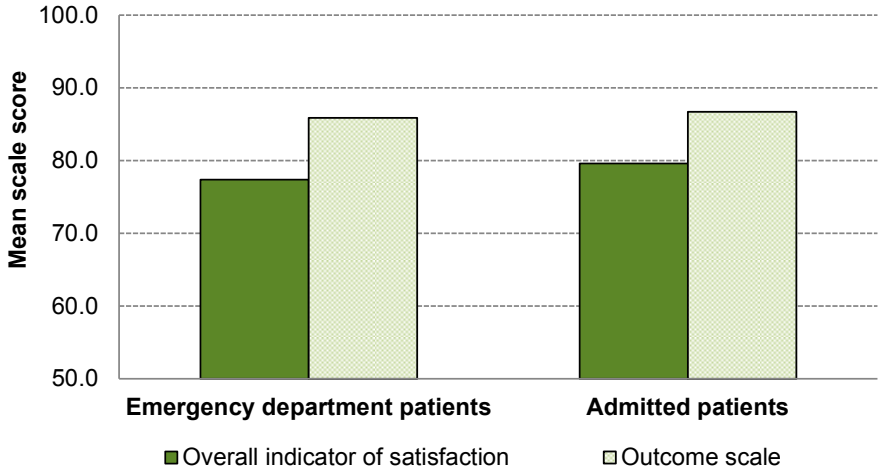
Figure 7: **Satisfaction with aspects of health care by rank of importance, admitted patients, 16–74 years, 2013–14**



## Comparing overall satisfaction with patient rated outcomes

There is a relationship between patients' overall satisfaction with health care and how patients rate the outcome of their hospital visit. Figure 8 shows that both emergency department patients and admitted patients rated the outcome of their visit higher than their Overall indicator of satisfaction. This signifies that although patients are satisfied with their experience in WA hospitals, they are more satisfied with the outcome of their hospital visit and the improvement in their condition.

Figure 8: **Patient-rated overall satisfaction with health care compared to their satisfaction of the outcome, emergency department and admitted patients, 16–74 years, 2013–14**



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# Significant Issues

WA Health continually strives to improve its performance and align its efforts to the four key pillars of the *WA Health Strategic Intent 2010–15*:

- caring for individuals and the community
- caring for those who need it most
- making the best use of funds and resources
- supporting our team.

In alliance with these key pillars WA Health has continued to deliver health system reform through a broad range of mechanisms in a rapidly changing environment. This has occurred while managing the challenges of current and emerging issues affecting WA Health's operations. The population growth and its geographical dispersion across WA presents a challenge in ensuring the health needs and expectations of the public are met. With the changing demography and disease patterns, a diverse range of programs and initiatives are required. In turn, this impacts upon health service planning decisions for the future while managing reform and costs efficiently.

In response to these demands, the Department of Health brought forward the review of its Clinical Services Framework. The framework sets out the planned structure of public health service provision in WA for the next 10 years and is an important tool for strategic statewide planning.

## Demand and activity

The Department of Health aims to ensure healthier, longer and better lives for all Western Australians. Of particular focus when planning for changes in demand and activity on the health care system are the ageing population, changes in the profile of chronic diseases including those living with a mental health condition, and meeting the health needs of Aboriginal communities.

The Aged and Continuing Care Directorate continues to play a pivotal role in overseeing services and policies related to the care, health and wellbeing of older Western Australians. In addition to developing best practice models of care, the directorate manages five core services: Home and Community Care, Aged Care Program, transition care services, continence management advice, and Friend in Need – emergency. Home and Community Care in WA received growth funding of over $9 million for home and community care providers that has enabled them to expand the services they provide to maximise an individual's independence and wellbeing. As part of the planning process, 11 community consultation sessions were held in 2013. The consultations aimed to identify service delivery gaps, issues affecting regions and inform priorities for growth funding. Consultation sessions were held in each of the home and community care planning regions across WA and were attended by a range of service providers and stakeholders in each region. Information gathered from these consultations along with other data sources, have informed Home and Community Care program improvements into the future.

Within the WA community there are high levels of unhealthy lifestyle and risk-taking behaviours that contribute towards potentially avoidable illnesses and injuries. For example, the number of adults who are overweight and obese has increased, as have the rates of overweight and obese children. There are low levels of compliance with recommended dietary and physical activity guidelines and poor rates of health literacy. These unhealthy lifestyle behaviours are anticipated to result in an increased burden on WA's health system in terms of increased incidence of diabetes, stroke, and acute myocardial infarction. Providing appropriate and timely access to services and health promotion programs while maintaining and promoting quality chronic disease and injury prevention initiatives present challenges for the Department of Health, due

to the increased demand on services, our diverse demography and cuts to funding previously provided through the National Partnership Agreements.

WA Health provides a comprehensive range of public mental health services. One in five Australians will suffer from a mental illness at some point in their lives. The effect of mental illness can be disruptive on individuals and families concerned and its effect is far-reaching for society. However, the increasing needs for mental health services pose challenges for WA Health as a whole. To provide leadership and support in the delivery of mental health services, the Office of Mental Health was established in April 2013. It is driving strategic reform in the WA mental health sector, through implementation of recommendations from the *Stokes Review (2012)* and facilitating projects that will assist with the implementation of the *Mental Health Bill 2013*, once enacted. This work is in partnership with the Mental Health Commission, the Office of the Chief Psychiatrist, health services, non-government organisations, and mental health consumers, family members and carers. Significant progress has been made in the areas of mental health policy development, information systems, data and reporting, and workforce development and leadership. Additionally, a 10-year Mental Health, and Alcohol and Other Drug Services Plan is being developed. This work is being led by the Mental Health Commission, with input from the Department of Health. The 10-year plan is due to be completed in September 2014 and will provide a blueprint for further reform and development of WA's mental health and alcohol and other drug sectors through to 2025.

Underpinning all of WA Health, is the collection and storing of essential clinical patient information. In February 2014, the establishment of a Central Referral Service for outpatient referral management was endorsed by the Minister for Health, the Director General and the State Health Executive Forum Operations Review Committee. The Central Referral Service represents a fundamental change to the way external referrals for patients requiring a first specialist outpatient appointment within the public system are managed. Its establishment provides a coordinated and sustainable model for elective service referral management across the system to ensure that patients receive their care within a clinically appropriate time frame, in the most appropriate location. Additionally, WA Health successfully implemented the new web based Datix Clinical Incident Management System. The strategic objective of implementing this system is to establish an integrated model of governance for the reporting of clinical incidents across public health organisations within WA for patient safety and quality improvement purposes. The system is designed to effectively enable the processes associated with the notification, investigation, monitoring and analysis of clinical incidents including reported sentinel events. This will streamline processes by removing inefficiencies associated with a paper-based system.

## Workforce challenges

WA Health is committed to developing a sustainable supply of skills in the health workforce. This commitment underpins the development and implementation of our workforce policies. The WA Health workforce is facing significant challenges in maintaining an appropriately sized and skilled workforce during the reconfiguration of services associated with the phased opening of the Fiona Stanley Hospital, the Perth Children's Hospital, the Midland Public Hospital and the Albany Health Campus, as well as the upgrades undertaken at Kalgoorlie Hospital, and the completion of the Broome mental health unit.

To address these workforce challenges the Department of Health is developing a 10-year strategic workforce plan, based on the *WA Health Clinical Services Framework 2010–2020*. The 10-year plan will ensure workforce planning is aligned with demand, that there are health professionals and other staff employed and trained to meet demand and provide high quality and safe services. The plan will also focus on the importance of workforce retention to ensure

that WA Health staff skills and experiences are maintained. Additionally, the *WA Health Aboriginal Workforce Strategy 2014–2024* was launched in May 2014 and seeks to develop a strong, skilled and growing Aboriginal health workforce across WA Health, including clinical, non-clinical and leadership roles. Aligning WA workforce planning with national workforce reform will enable WA to benefit from national investments and workforce innovations outside of WA.

Staff retention is also important as it has a direct, costly and significant impact on the capacity of WA Health to deliver its quality services. Current environmental factors such as the ageing population, the increase in competition in the labour market and the skills shortage in the health sector mean that the need for WA Health to focus on improving retention levels is more critical than ever. The *WA Health Workforce Retention Framework 2012–2015* has commenced the collection and analysis of data to measure staff turnover to establish best policy and practice for staff retention. Regular monitoring and evaluation will enable WA Health to assess whether strategies are appropriate, achievable and effective.

The expansion in infrastructure and the reconfiguration of health services is generating an increased requirement for specialist experienced nurses and midwives. Health Workforce Australia estimates that by 2025, without improved attraction and retention, WA will face a shortage of over 8,000 nurses. The Nursing and Midwifery Office has partnered with the health services to develop recruitment plans to attract local, interstate and overseas expert nurses and midwives. A particular challenge is providing appropriate career opportunities for graduate/novice nurses and midwives so that they develop the necessary specialist skills that will be required in the future. While much of the recent workforce focus has been on the acute care setting, more nursing and midwifery resources will be needed in the primary and preventative health areas. The Nursing and Midwifery Office is engaged with developing models of care and practices, including advanced practice, nurse practitioner roles, eligible midwife roles, prescribing and legislative changes, to support this sector. To assist experienced generalist nurses and midwives to move into the high demand, more complex specialties the Nursing and Midwifery Office has supported the health services to provide up-skilling programs.

Aboriginal nurses and midwives are a valuable asset to nursing, midwifery, management, education and research and are leading the way through the provision of the highest quality and culturally safe health care for Aboriginal people, families and their communities. Furthermore, Aboriginal nurses and midwives are valued in their capacity as role models and teachers for colleagues and for the next generation of nurses and midwives. To advance greater Aboriginal employment and health care inclusion, the WA Health Nursing and Midwifery Office continues to fund and support leadership programs such as the Aboriginal Nursing Cadetship, nurse mentors at Marr Mooditj and career and course transition pathways with the University of Notre Dame, Broome.

Significant workforce challenges are also being faced in the mental health sector. The *Stokes Review (2012)*[1] found the current mental health workforce is inadequate to meet the mental health needs of WA with fewer mental health nurse full-time equivalents and the second lowest psychiatrist full-time equivalents per 100,000 people compared with other states of Australia. In addition, a large number of the mental health workforce form part of our ageing population which contributes to high attrition rates and this will require careful management along with effective succession planning.

[1] B. Stokes (2012) Review of the admission or referral to and the discharge and transfer practices of public mental health facilities/services in Western Australia.

The Office of Mental Health is actively pursuing mental health workforce development, by mandating systems of supervision, continuing professional development and credentialing of a service, as well as personnel, to provide the required mental health care of that service. The Office of Mental Health established a Mental Health Leadership Program to build capacity and capability to support public mental health services to lead reform. The program is based on action learning principles and aims to support both current and emerging leaders across the system to initiate and develop a strong culture of performance and accountability, focused on the delivery of patient-centred, quality mental health care. The program is therefore, an important mechanism for improving the health outcomes of mental health consumers.

## Managing funding reform and cost efficiencies

Funding reform in WA is fundamental to providing a sustainable health and hospital system that delivers better services now and in the future. While WA's health system performs well, with the demand and cost growth experienced by WA hospitals, subacute care services and mental health services, combined with recruitment requirements, changes to models of care delivery, securing an appropriate workforce, transitioning to the national Activity Based Funding/Activity Based Management (ABF/M) and reduced funding from the Australian Government budget, significant reform is necessary to ensure the continued provision of high quality health care.

The introduction of ABF/M as part of the National Health Reform and the *WA Health Activity Purchasing Intentions 2013–14* alignment of the WA Health budget to an activity based funding model has helped shaped funding reform for the sustainability of WA' s health and aged care system into the future. The intent of ABF/M is to improving patient access to services and public hospital efficiencies and to improving performance reporting and accountability within a unified health system. The Department of Health has a clear expectation that ABF/M is managed on a daily basis and in partnership with the Metropolitan Health Service and WA Country Health Service.

WA has been building its ABF/M capacity since 2009 when it implemented an ABF/M model that was focused on the WA experience of health care. The ABF/M model currently applies to the majority of acute health care in hospitals. This includes admitted patient care, outpatients, emergency department services, and subacute care. Eventually ABF/M will extend to almost everything we do. Achievements and lessons learned from the previous four years of ABF/M implementation have helped shape the priorities and challenges tackled in 2013–2014. Work has been undertaken within the Department of Health and the health services to achieve a strong foundation for national ABF/M implementation. Work streams and programs that WA Health has invested in include: development of clinical and business networks and working groups, educational resource development, training and development programs, policy guidelines (including the *Health Activity Purchasing Intentions*), WA Health activity, costing and pricing methodologies, and a constant evaluation and action cycle.

The provision of funding through the national ABF/M is reliant on consistent, accurate and timely classifying, counting, and coding of activity data as well as costing data that affects price setting. If services are not classified or coded correctly, this may lead to over or under-estimation and subsequently incur over or under payments. Admitted acute care, subacute and non-acute care, non-admitted care and emergency care currently have classifications under the national ABF/M model with mental health care classification currently in development stage. Work is ongoing to ensure WA Health staff are sufficiently trained to capture service and activity and costing data accurately.

## Health inequalities

Caring for the most vulnerable people in WA remains a priority for WA Health. In WA the population groups most likely to experience health inequalities include the ageing, Aboriginal people, those living with a mental health condition, and those living in rural or remote areas. Provision of policies and frameworks, health education, and primary prevention strategies are key components in tackling emerging health inequalities. The Department of Health frequently partners with other agencies to deliver disease and injury prevention programs.

Due to changes in the population and the social and economic status of the State, WA Health's review of the *WA Health Clinical Service Framework 2010–2020* has been brought forward and expanded compared to previous years. The *WA Clinical Service Framework 2014–2024* will include a focus on an integrated system, prevention, and comprehensive primary and community care. Importantly, it will also address the availability of services across the State in line with projected population growth and activity.

WA Health continues to work towards averting health inequalities within vulnerable populations through disease and injury prevention strategies. In 2013–14, WA Health's Chronic Disease and Prevention Directorate funded four statewide programs, which were delivered in partnership with not-for-profit agencies. For example, the Falls Prevention Program, is delivered by the Injury Control Council WA. The program aims to reduce falls and falls-related injuries among older people by raising awareness that falls are preventable and not a consequence of ageing. It encourages and enables active ageing in the community and engages health care professionals in helping reduce modifiable risk factors for falling. All programs incorporate strategies that ensure accessibility and relevance of service(s) to high risk groups, include males, Aboriginal people, residents from the most socio-economic disadvantaged areas and residents of very remote areas.

With the increasing focus on the primary care sector, WA Health Nursing and Midwifery Office is working in partnership with Curtin University, and the Central Institute of Technology to deliver the *Roaming Education and Community Health* (REACH) program. The program has received funding from Health Workforce Australia as an Australian Government initiative and was driven by the desire to bring services to marginalised groups while providing training opportunities for nurses outside of the traditional hospital environment. By providing basic health services and support directly to these groups it gives individuals an alternative to visiting a general practitioner or attending a hospital emergency department.

Reducing the health inequality experienced within Aboriginal communities is an ongoing priority for WA Health. The Chronic Disease Prevention Directorate was successful in securing Australian Government funding for the ongoing delivery of the The Quitline Aboriginal Liaison Team program. Tobacco smoking is a key health issue for Aboriginal people and is a major preventable contributor to the reduced life expectancy. The Quitline Aboriginal Liaison Team aims to increase the level of awareness and knowledge of the Quitline service with health workers, increase the capacity of Quitline counsellors to deliver appropriate smoking cessation interventions and, through targeted promotion and partnerships, increase readiness to quit, number of quit attempts, and successful quit attempts among Aboriginal people in the Perth metropolitan area.

A targeted media campaign was undertaken during 2013–14 to raise awareness within Aboriginal communities of the health information and advice service, *healthdirect. Healthdirect* provides quality health information and advice online and over the phone and is available 24 hours a day, 7 days a week thus enabling people to make informed medical choices anywhere at any time.

Health inequality among people living with a mental health condition is a concern to WA Health. This is being addressed by the Office of Mental Health through projects for implementing the *Stokes Review (2012)* recommendations and the Mental Health Bill 2013, once enacted. During 2013–14, 10 per cent of projects recommended by the review were completed and 90 per cent of projects were in progress. An example is the development and implementation of mandatory Statewide Standardised Clinical Documentation to be used by Mental Health Services. The use of such documentation facilitates a consistent and standardised approach for the assessment and care of mental health consumers. It provides a common frame of reference between mental health services, which supports safety and quality in clinical care.

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# Disclosure and Compliance

Auditor General

**INDEPENDENT AUDITOR'S REPORT**

**To the Parliament of Western Australia**

**DEPARTMENT OF HEALTH**

**Report on the Financial Statements**
I have audited the accounts and financial statements of the Department of Health.

The financial statements comprise the Statement of Financial Position as at 30 June 2014, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

*Director General's Responsibility 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 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.

*Auditor's Responsibility*
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Director General, as well as evaluating the overall presentation of the financial statements.

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

***Opinion***
In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Health at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.





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***Report on Controls***
I have audited the controls exercised by the Department of Health during the year ended 30 June 2014.

Controls exercised by the Department of Health 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.

*Director General's Responsibility for Controls*
The Director General is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

*Auditor's Responsibility*
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Department of Health based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Department complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

***Opinion***
In my opinion, 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 2014.

***Report on the Key Performance Indicators***
I have audited the key performance indicators of the Department of Health for the year ended 30 June 2014.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

*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 controls as the Director General determines necessary to ensure that the key performance indicators fairly represent indicated performance.

*Auditor's Responsibility*
As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Director General's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

***Opinion***

In my opinion, 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 2014.

**Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical 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 2014 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.

COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
22 September 2014

# Certification Statement

**DEPARTMENT OF HEALTH**

**CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

The accompanying financial statements of the Department of Health have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to represent fairly the financial transactions for the financial year ending 30 June 2014 and financial position as at 30 June 2014.

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

Graeme Jones
CHIEF FINANCE OFFICER
DEPARTMENT OF HEALTH

Date: 16 September 2014

Professor Bryant Stokes
ACTING DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

Date: 16 September 2014

# Financial Statements

## Department of Health

### Statement of Comprehensive Income

**For the year ended 30 June 2014**

| | Note | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **COST OF SERVICES** | | | |
| **Expenses** | | | |
| Employee benefits expense | 7 | 86,905 | 80,304 |
| Contracts for services | 8 | 812,417 | 946,609 |
| Supplies and services | 9 | 50,926 | 52,625 |
| Grants and subsidies | 10 | 5,142,372 | 4,546,854 |
| Depreciation expense | 11 | 5,301 | 9,914 |
| Finance costs | 12 | 793 | 1,794 |
| Loss on disposal of non-current assets | 13 | 3 | 70 |
| Contribution to Capital Works Fund | 14 | 17,257 | 3,496 |
| Other expenses | 15 | 25,181 | 15,042 |
| **Total cost of services** | | **6,141,155** | **5,656,708** |
| **INCOME** | | | |
| **Revenue** | | | |
| User charges and fees | | 5,736 | 6,336 |
| Commonwealth grants and contributions | 16 | 1,831,196 | 1,699,491 |
| Other grants and contributions | 17 | 20,930 | 34,445 |
| Finance income | 18 | 957 | - |
| Donation revenue | 19 | 1,000 | 1,085 |
| Other revenue | | 4,093 | 2,368 |
| **Total revenue** | | **1,863,912** | **1,743,725** |
| **Total income other than income from State Government** | | **1,863,912** | **1,743,725** |
| **NET COST OF SERVICES** | | **4,277,243** | **3,912,983** |
| **INCOME FROM STATE GOVERNMENT** | 20 | | |
| Service appropriations | | 4,237,876 | 3,838,500 |
| Assets transferred | | 1,456 | 27 |
| Services received free of charge | | 2,215 | 2,265 |
| Royalties for Regions Fund | | 70,013 | 28,437 |
| **Total income from State Government** | | **4,311,560** | **3,869,229** |
| **SURPLUS/(DEFICIT) FOR THE PERIOD** | | **34,317** | **(43,754)** |
| **OTHER COMPREHENSIVE INCOME/(LOSS)** | | | |
| **Items not reclassified subsequently to profit or loss** | | | |
| Changes in asset revaluation reserve | 34 | 2,533 | 10,920 |
| **Total other comprehensive income** | | **2,533** | **10,920** |
| **TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD** | | **36,850** | **(32,834)** |

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

## Department of Health

## Statement of Financial Position

**As at 30 June 2014**

| | Note | 2014 $000 | 2013 $000 | |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | 35 | 26,212 | 10,206 | |
| Restricted cash and cash equivalents | 21, 35 | 376,684 | 435,278 | |
| Inventories | 22 | 12,685 | 4,393 | |
| Receivables | 23 | 39,389 | 40,373 | (a) |
| Amounts receivable for services | 24 | - | 5,968 | |
| Other current assets | 28 | 640 | 5,147 | |
| **Total Current Assets** | | 455,610 | 501,365 | (a) |
| **Non-Current Assets** | | | | |
| Restricted cash and cash equivalents | 21, 35 | 57,916 | 56,639 | |
| Amounts receivable for services | 24 | 98,958 | 79,066 | |
| Finance lease receivable | 25 | 957 | - | |
| Property, plant and equipment | 26 | 24,476 | 468,729 | |
| Other non-current assets | 28 | 4,811 | 5,395 | |
| **Total Non-Current Assets** | | 187,118 | 609,829 | |
| **Total Assets** | | **642,728** | **1,111,194** | (a) |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Payables | 30 | 63,148 | 93,475 | (a) |
| Provisions | 31 | 18,811 | 17,945 | |
| Borrowings | 32 | - | 3,512 | |
| Other current liabilities | 33 | 1,100 | 66 | |
| **Total Current Liabilities** | | 83,059 | 114,998 | (a) |
| **Non-Current Liabilities** | | | | |
| Provisions | 31 | 3,406 | 3,558 | |
| Borrowings | 32 | - | 15,055 | |
| **Total Non-Current Liabilities** | | 3,406 | 18,613 | |
| **Total Liabilities** | | **86,465** | **133,611** | (a) |
| **NET ASSETS** | | **556,263** | **977,583** | |
| **EQUITY** | 34 | | | |
| Contributed equity | | (143,169) | 315,001 | |
| Reserves | | 303,111 | 300,578 | |
| Accumulated surplus | | 396,321 | 362,004 | |
| **TOTAL EQUITY** | | **556,263** | **977,583** | |

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

*(a) Restated amounts for balances as at 30 June 2013.*

## Department of Health

## Statement of Changes in Equity

**For the year ended 30 June 2014**

| | Note | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **CONTRIBUTED EQUITY** | 34 | | |
| Balance at start of period | | 315,001 | 278,292 |
| Transactions with owners in their capacity as owners: | | | |
| Contributions by owners | | 49,728 | 36,709 |
| Distributions to owners | | (507,898) | |
| **Balance at end of period** | | **(143,169)** | **315,001** |
| **RESERVES** | 34 | | |
| **Asset Revaluation Reserve** | | | |
| Balance at start of period | | 300,578 | 289,658 |
| Other comprehensive income for the period | | 2,533 | 10,920 |
| **Balance at end of period** | | **303,111** | **300,578** |
| **ACCUMULATED SURPLUS** | 34 | | |
| Balance at start of period | | 362,004 | 405,758 |
| Surplus/(Deficit) for the period | | 34,317 | (43,754) |
| **Balance at end of period** | | **396,321** | **362,004** |
| **TOTAL EQUITY** | | | |
| Balance at start of period | | 977,583 | 973,708 |
| Total comprehensive income/(loss) for the year | | 36,850 | (32,834) |
| Transactions with owners in their capacity as owners | | (458,170) | 36,709 |
| **Balance at end of period** | | **556,263** | **977,583** |

*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 2014**

| | Note | 2014 $000 Inflows (Outflows) | 2013 $000 Inflows (Outflows) |
|---|---|---|---|
| **CASH FLOWS FROM STATE GOVERNMENT** | | | |
| Service appropriations | | 4,018,916 | 3,629,923 |
| Capital appropriations | 34 | 49,728 | 36,709 |
| Royalties for Regions Fund | 20 | 70,013 | 28,437 |
| **Net cash provided by State Government** | | 4,138,657 | 3,695,069 |
| Utilised as follows: | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Payments** | | | |
| Employee benefits | | (85,890) | (77,657) |
| Supplies and services | | (867,428) | (980,921) |
| Grants and subsidies | | (4,937,336) | (4,348,668) |
| Finance costs | | (793) | (1,794) |
| Contribution to Capital Works Fund | | (17,257) | (3,496) |
| GST payments on purchases | | (384,505) | (370,908) |
| **Receipts** | | | |
| User charges and fees | | 5,578 | 6,494 |
| Commonwealth grants and contributions | | 1,816,734 | 1,692,582 |
| GST receipts on sales | | 19,970 | 20,389 |
| GST refunds from taxation authority | | 362,372 | 321,232 |
| Other receipts | | 28,224 | 37,148 |
| **Net cash used in operating activities** | 35 | (4,060,331) | (3,705,599) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payment for purchase of non-current physical assets | | (77,051) | (98,430) |
| Proceeds from the sale of non-current physical assets | | 1 | - |
| **Net cash used in investing activities** | | (77,050) | (98,430) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of borrowings | | (1,719) | (3,230) |
| **Net cash used in financing activities** | | (1,719) | (3,230) |
| **Net decrease in cash and cash equivalents** | | (443) | (112,190) |
| Cash and cash equivalents at the beginning of the period | | 502,123 | 614,313 |
| Cash and cash equivalents transferred to other agencies | | (40,868) | - |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | 35 | 460,812 | 502,123 |

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

## Department of Health

## Schedule of Income and Expenses by Service

**For the year ended 30 June 2014**

| | Public Hospital Admitted Patients | | Home-Based Hospital Programs | | Palliative Care | | Emergency Department | |
|---|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Employee benefits expense | 26,967 | 33,502 | 1,286 | 645 | 1,710 | 860 | - | 2,905 |
| Contracts for services | 197,620 | 321,065 | 24,897 | 23,557 | 23,823 | 23,235 | 45,126 | 88,341 |
| Supplies and services | 3,095 | 7,012 | 233 | 77 | 372 | 137 | - | 801 |
| Grants and subsidies | 3,259,765 | 2,926,091 | 4,471 | 33,772 | 7,517 | 3,860 | 575,712 | 415,402 |
| Depreciation expense | 1,477 | 5,667 | 129 | 81 | 151 | 47 | - | 847 |
| Finance costs | 632 | 1,246 | - | - | 1 | 3 | 145 | 362 |
| Loss on disposal of non-current assets | - | - | - | - | - | - | - | - |
| Contribution to Capital Works Fund | 5,082 | 2,447 | 447 | - | 518 | - | - | 559 |
| Other expenses | 8,787 | 8,059 | 444 | 44 | 577 | 80 | 9 | 442 |
| **Total cost of services** | 3,503,425 | 3,305,089 | 31,907 | 58,176 | 34,669 | 28,222 | 620,992 | 509,659 |
| **Income** | | | | | | | | |
| User charges and fees | 339 | 1,488 | 22 | 19 | 26 | 12 | - | 199 |
| Commonwealth grants and contributions | 1,067,007 | 968,004 | 5,399 | 9,624 | 4,917 | 4,484 | 144,813 | 116,897 |
| Other grants and contributions | 758 | - | 67 | - | 77 | - | - | - |
| Finance income | 282 | - | 25 | - | 29 | - | - | - |
| Donation revenue | 1,000 | 1,084 | - | - | - | - | - | 1 |
| Other revenue | 1,787 | 2,050 | 76 | 5 | 88 | 3 | - | 52 |
| **Total income other than income from State Government** | 1,071,173 | 972,626 | 5,589 | 9,648 | 5,137 | 4,499 | 144,813 | 117,149 |
| **NET COST OF SERVICES** | 2,432,252 | 2,332,463 | 26,318 | 48,528 | 29,532 | 23,723 | 476,179 | 392,510 |
| **Income from State Government** | | | | | | | | |
| Service appropriations | 2,414,939 | 2,292,834 | 29,888 | 44,874 | 35,567 | 23,995 | 463,600 | 365,933 |
| Assets transferred | (15) | (14) | - | 1 | - | - | - | 9 |
| Services received free of charge | - | 3 | - | - | - | - | - | - |
| Royalties for Regions Fund | 7,796 | 4,976 | - | - | 2,985 | 1,905 | 7,617 | 4,862 |
| **Total income from State Government** | 2,422,720 | 2,297,799 | 29,888 | 44,875 | 38,552 | 25,900 | 471,217 | 370,804 |
| **SURPLUS/(DEFICIT) FOR THE PERIOD** | (9,532) | (34,664) | 3,570 | (3,653) | 9,020 | 2,177 | (4,962) | (21,706) |

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

## Department of Health

### Schedule of Income and Expenses by Service (continued)

**For the year ended 30 June 2014**

| | Public Hospital Non-Admitted Patients | | Patient Transport | | Prevention, Promotion & Protection | | Dental Health | |
|---|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Employee benefits expense | - | 3,870 | 5,311 | 1,025 | 33,597 | 27,756 | 476 | 553 |
| Contracts for services | 3,519 | 9,797 | 114,487 | 102,675 | 50,857 | 45,663 | 13,093 | 13,318 |
| Supplies and services | - | 1,099 | 1,343 | 292 | 42,582 | 42,260 | 120 | 157 |
| Grants and subsidies | 697,644 | 651,207 | 39,366 | 31,280 | 354,305 | 306,627 | 84,633 | 72,684 |
| Depreciation expense | - | 1,162 | 746 | 309 | 960 | 941 | 67 | 166 |
| Finance costs | 15 | 34 | - | - | - | - | - | - |
| Loss on disposal of non-current assets | - | - | - | - | 3 | 70 | - | - |
| Contribution to Capital Works Fund | - | 280 | 2,578 | - | 2,333 | 175 | 231 | - |
| Other expenses | - | 606 | 2,575 | 161 | 6,451 | 4,923 | 229 | 87 |
| **Total cost of services** | 701,178 | 668,055 | 166,406 | 135,742 | 491,088 | 428,415 | 98,849 | 86,965 |
| **Income** | | | | | | | | |
| User charges and fees | - | 273 | 127 | 73 | 4,604 | 3,841 | 11 | 39 |
| Commonwealth grants and contributions | 206,447 | 202,297 | 11,795 | 2,960 | 152,252 | 168,774 | 626 | - |
| Other grants and contributions | - | - | 384 | - | 7,138 | 6,467 | 34 | - |
| Finance income | - | - | 143 | - | 129 | - | 13 | - |
| Donation revenue | - | - | - | - | - | - | - | - |
| Other revenue | - | 73 | 546 | 19 | 528 | 87 | 39 | 10 |
| **Total income other than income from State Government** | 206,447 | 202,643 | 12,995 | 3,052 | 164,651 | 179,169 | 723 | 49 |
| **NET COST OF SERVICES** | 494,731 | 465,412 | 153,411 | 132,690 | 326,437 | 249,246 | 98,126 | 86,916 |
| **Income from State Government** | | | | | | | | |
| Service appropriations | 493,395 | 469,033 | 113,463 | 118,576 | 322,988 | 246,760 | 100,164 | 86,510 |
| Assets transferred | - | 12 | - | 3 | 1,471 | 7 | - | 2 |
| Services received free of charge | - | - | - | - | 2,215 | 2,262 | - | - |
| Royalties for Regions Fund | 1,493 | 953 | 42,601 | 10,901 | 4,330 | 2,764 | 206 | 171 |
| **Total income from State Government** | 494,888 | 469,998 | 156,064 | 129,480 | 331,004 | 251,793 | 100,370 | 86,683 |
| **SURPLUS/(DEFICIT) FOR THE PERIOD** | 157 | 4,586 | 2,653 | (3,210) | 4,567 | 2,547 | 2,244 | (233) |

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

## Department of Health

## Schedule of Income and Expenses by Service (continued)

**For the year ended 30 June 2014**

| | Continuing Care | | Mental Health (a) | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **COST OF SERVICES** | | | | | | |
| **Expenses** | | | | | | |
| Employee benefits expense | 17,558 | 9,188 | - | - | 86,905 | 80,304 |
| Contracts for services | 327,168 | 296,309 | 11,827 | 22,649 | 812,417 | 946,609 |
| Supplies and services | 3,181 | 790 | - | - | 50,926 | 52,625 |
| Grants and subsidies | 118,959 | 105,931 | - | - | 5,142,372 | 4,546,854 |
| Depreciation expense | 1,771 | 694 | - | - | 5,301 | 9,914 |
| Finance costs | - | - | - | 149 | 793 | 1,794 |
| Loss on disposal of non-current assets | - | - | - | - | 3 | 70 |
| Contribution to Capital Works Fund | 6,068 | 35 | - | - | 17,257 | 3,496 |
| Other expenses | 6,109 | 640 | - | - | 25,181 | 15,042 |
| **Total cost of services** | 480,814 | 413,587 | 11,827 | 22,798 | 6,141,155 | 5,656,708 |
| **Income** | | | | | | |
| User charges and fees | 607 | 392 | - | - | 5,736 | 6,336 |
| Commonwealth grants and contributions | 237,940 | 225,665 | - | 786 | 1,831,196 | 1,699,491 |
| Other grants and contributions | 904 | - | 11,568 | 27,978 | 20,930 | 34,445 |
| Finance income | 336 | - | - | - | 957 | - |
| Donation revenue | - | - | - | - | 1,000 | 1,085 |
| Other revenue | 1,029 | 68 | - | - | 4,093 | 2,368 |
| **Total income other than income from State Government** | 240,816 | 226,125 | 11,568 | 28,764 | 1,863,912 | 1,743,725 |
| **NET COST OF SERVICES** | 239,998 | 187,462 | 259 | (5,966) | 4,277,243 | 3,912,983 |
| **Income from State Government** | | | | | | |
| Service appropriations | 263,872 | 189,985 | - | - | 4,237,876 | 3,838,500 |
| Assets transferred | - | 7 | - | - | 1,456 | 27 |
| Services received free of charge | - | - | - | - | 2,215 | 2,265 |
| Royalties for Regions Fund | 2,985 | 1,905 | - | - | 70,013 | 28,437 |
| **Total income from State Government** | 266,857 | 191,897 | - | - | 4,311,560 | 3,869,229 |
| **SURPLUS/(DEFICIT) FOR THE PERIOD** | 26,859 | 4,435 | (259) | 5,966 | 34,317 | (43,754) |

(a) Include services in addition to those provided by the Health Services under agreement with the Mental Health Commission for specialised admitted and community mental

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

## Department of Health

## Schedule of Assets and Liabilities by Service

**As at 30 June 2014**

| | Public Hospital Admitted Patients | | Home-Based Hospital Programs | | Palliative Care | | Emergency Department | |
|---|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **Assets** | | | | | | | | |
| Current assets | 108,769 | 186,435 | 4,575 | 424 | 26,431 | 16,386 | 198,590 | 219,222 |
| Non-current assets | 75,526 | 407,641 | 2,885 | 1,341 | 7,539 | 6,278 | 4,854 | 71,741 |
| **Total Assets** | 184,295 | 594,076 | 7,460 | 1,765 | 33,970 | 22,664 | 203,444 | 290,963 |
| **Liabilities** | | | | | | | | |
| Current liabilities | 25,254 | 65,322 | 1,742 | 492 | 2,437 | 654 | 453 | 16,527 |
| Non-current liabilities | 1,085 | 12,000 | 43 | 10 | 71 | 48 | - | 3,144 |
| **Total Liabilities** | 26,339 | 77,322 | 1,785 | 502 | 2,508 | 702 | 453 | 19,671 |
| **NET ASSETS** | 157,956 | 516,754 | 5,675 | 1,263 | 31,462 | 21,962 | 202,991 | 271,292 |

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

*(a) Restated amounts for balances as at 30 June 2013 (see note 6 'Prior year restatement').*

## Department of Health

## Schedule of Assets and Liabilities by Service (continued)

**As at 30 June 2014**

| | Public Hospital Non-Admitted Patients | | Patient Transport | | Prevention, Promotion & Protection | | Dental Health | |
|---|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **Assets** | | | | | | | | |
| Current assets | 309 | 17,102 | 9,657 | 1,620 | 56,164 | 48,758 | 1,148 | 1,050 |
| Non-current assets | 8,090 | 20,223 | 12,687 | 6,048 | 36,419 | 54,604 | 1,156 | 1,894 |
| **Total Assets** | 8,399 | 37,325 | 22,344 | 7,668 | 92,583 | 103,362 | 2,304 | 2,944 |
| **Liabilities** | | | | | | | | |
| Current liabilities | 16 | 5,481 | 9,693 | 1,864 | 19,069 | 13,974 | 1,751 | 2,951 |
| Non-current liabilities | - | 427 | 170 | 37 | 1,406 | 1,281 | 15 | 20 |
| **Total Liabilities** | 16 | 5,908 | 9,863 | 1,901 | 20,475 | 15,255 | 1,766 | 2,971 |
| **NET ASSETS** | 8,383 | 31,417 | 12,481 | 5,767 | 72,108 | 88,107 | 538 | (27) |

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

*(a) Restated amounts for balances as at 30 June 2013 (see note 6 'Prior year restatement').*

## Department of Health

## Schedule of Assets and Liabilities by Service (continued)

**As at 30 June 2014**

| | Continuing Care | | Mental Health | | TOTAL | | |
|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | |
| **Assets** | | | | | | | |
| Current assets | 49,784 | 10,094 | 183 | 275 | 455,610 | 501,365 | (a) |
| Non-current assets | 37,423 | 13,002 | 539 | 27,057 | 187,118 | 609,829 | |
| **Total Assets** | 87,207 | 23,096 | 722 | 27,332 | 642,728 | 1,111,194 | (a) |
| **Liabilities** | | | | | | | |
| Current liabilities | 22,557 | 4,712 | 87 | 3,021 | 83,059 | 114,998 | (a) |
| Non-current liabilities | 616 | 396 | - | 1,250 | 3,406 | 18,613 | |
| **Total Liabilities** | 23,173 | 5,108 | 87 | 4,271 | 86,465 | 133,611 | (a) |
| **NET ASSETS** | 64,034 | 17,988 | 635 | 23,061 | 556,263 | 977,583 | |

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

*(a) Restated amounts for balances as at 30 June 2013 (see note 6 'Prior year restatement').*

## Department of Health

### Summary of Consolidated Account Appropriations and Income Estimates

**For the year ended 30 June 2014**

| | 2014 Estimate $000 | 2014 Actual $000 | Variance $000 | 2014 Actual $000 | 2013 Actual $000 | Variance $000 |
|---|---|---|---|---|---|---|
| Delivery of Services | | | | | | |
| Item 12 Net amount appropriated to deliver services | 4,080,133 | 4,068,435 | (11,698) | 4,068,435 | 3,717,829 | 350,606 |
| Section 25 transfer of service appropriation | - | 48,778 | 48,778 | 48,778 | (1,428) | 50,206 |
| Amount Authorised by Other Statutes | | | | | | |
| - Salaries and Allowances Act 1975 | 663 | 663 | - | 663 | 625 | 38 |
| - Lotteries Commission Act 1990 | 115,500 | 120,000 | 4,500 | 120,000 | 121,474 | (1,474) |
| **Total appropriations provided to deliver services** | 4,196,296 | 4,237,876 | 41,580 | 4,237,876 | 3,838,500 | 399,376 |
| Capital | | | | | | |
| Item 110 Capital appropriations | 312,574 | 329,441 | 16,867 | 329,441 | 248,091 | 81,350 |
| **GRAND TOTAL** | 4,508,870 | 4,567,317 | 58,447 | 4,567,317 | 4,086,591 | 480,726 |
| Details of Expenses by Service | | | | | | |
| Public Hospital Admitted Patients | 3,902,887 | 3,988,145 | 85,258 | 3,988,145 | 3,760,063 | 228,082 |
| Home-Based Hospital Programs | 58,842 | 41,795 | (17,047) | 41,795 | 54,295 | (12,500) |
| Palliative Care | 31,326 | 30,553 | (773) | 30,553 | 27,694 | 2,859 |
| Emergency Department | 589,128 | 643,988 | 54,860 | 643,988 | 568,778 | 75,210 |
| Public Hospital Non-Admitted Patients | 874,547 | 802,139 | (72,408) | 802,139 | 784,864 | 17,275 |
| Patient Transport | 205,265 | 195,504 | (9,761) | 195,504 | 188,654 | 6,850 |
| Prevention, Promotion & Protection | 476,446 | 510,606 | 34,160 | 510,606 | 470,571 | 40,035 |
| Dental Health | 92,861 | 93,427 | 566 | 93,427 | 90,698 | 2,729 |
| Continuing Care | 479,835 | 487,787 | 7,952 | 487,787 | 437,766 | 50,021 |
| Mental Health | 523,759 | 630,472 | 106,713 | 630,472 | 563,990 | 66,482 |
| **Total Cost of Services** | 7,234,896 | 7,424,416 | 189,520 | 7,424,416 | 6,947,373 | 477,043 |
| Less Total income (a) | (2,907,550) | (2,974,705) | (67,155) | (2,974,705) | (2,736,438) | (238,267) |
| Net Cost of Services | 4,327,346 | 4,449,711 | 122,365 | 4,449,711 | 4,210,935 | 238,776 |
| Adjustments (b) | (131,050) | (211,835) | (80,785) | (211,835) | (372,435) | 160,600 |
| **Total appropriations provided to deliver services** | 4,196,296 | 4,237,876 | 41,580 | 4,237,876 | 3,838,500 | 399,376 |
| Capital Expenditure | | | | | | |
| Purchase of non-current physical assets | 1,118,154 | 905,066 | (213,088) | 905,066 | 933,647 | (28,581) |
| Repayment of borrowings | 16,893 | 20,586 | 3,693 | 20,586 | 8,419 | 12,167 |
| Adjustments for other funding sources (c) | (822,473) | (596,211) | 226,262 | (596,211) | (693,975) | 97,764 |
| **Capital appropriations** | 312,574 | 329,441 | 16,867 | 329,441 | 248,091 | 81,350 |

*(a) Total Income does not include Commonwealth grants for capital purposes (2014 Estimate: $61.21 million, 2014 Actual: $75.198 million, 2013 Actual: $11.379 million).*

*(b) Adjustments reflect the Net Cost of Services is more than appropriation provided to deliver health services and comprise movements in cash balances, movements in accrual items such as receivables and payables, $70.013 million Royalties for Regions Fund and $6.937 million resources received free of charge from other state government agencies.*

*(c) Adjustments comprise $20.700 million funding for capital works administered by the Department of Treasury, $112.227 million funding for Fiona Stanley Hospital, $365.069 million for New Children's Hospital, $141.985 million for Royalties for Regions Fund, $75.198 million Commonwealth grants and include movements in cash balances and other accrual items such as receivables and payables.*

*Note 40 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2014 and between actual results for 2014 and 2013.*

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended 30 June 2014**

**Note 1 Australian Accounting Standards**

**General**

The Department's financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Department has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

**Early adoption of standards**

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2014.

**Note 2 Summary of significant accounting policies**

**(a) General statement**

The Department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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.

**(b) Basis of preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Department's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(c) Reporting entity**

The reporting entity comprises the Department only and is based on the control exercised by the Department.

As from 1 July 2012, the Department of Health adminsters two agency special purpose accounts, the State Pool Account and the State Managed Fund Account, established and maintained pursuant to section 16(1)(d) of the Financial Management Act 2006. The purposes of the special purpose accounts are outlined at note 47 'Special purpose accounts'. The new funding arrangement established under the National Health Reform Agreement requires the Commonwealth Government to make payments of activity based funding and block grant funding to the State Pool Account, from which the block grant funding is subsequently paid to the State Managed Fund Account. The State is required to make payments of activity based funding to the State Pool Account and the block grant funding to the State Managed Fund Account.

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at note 48 'Administered assets and liabilities' and note 49 'Disclosure of administered income and expenses by service'.

**Mission**

The mission of the Department is to improve, promote and protect the health of Western Australians by:

* Caring for individuals and the community;
* Caring for those who need it most;
* Making best use of funds and resources;
* Supporting our team.

The Department is predominantly funded by Parliamentary appropriations.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(c) Reporting entity (continued)**

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

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

The Department and Statutory Authorities within WA Health provide the following services:

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

**Home-Based Hospital Programs**
The 'Hospital in the Home' (HITH), 'Rehabilitation in the Home' (RITH) and 'Mental Health in the Home' (MITH) programs provide short-term acute care in the patient's home for those who can be safely cared for without constant monitoring for conditions that traditionally required hospital admission and inpatient treatment. These services involve daily home visits by nurses, with medical governance usually by a hospital-based doctor. This service also includes the 'Friends-in-Need-Emergency' (FINE) program which delivers similar care interventions for older and chronically ill patients who have a range of short-term clinical care requirements. These services are provided by WA Health Services and contracted non-government providers.

**Palliative Care**
Palliative care services describe inpatient and home-based multi-disciplinary care and support for terminally ill people and their families and carers. Education and advisory services are also available to assist professionals, particularly those in rural areas.

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

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

**Patient Transport**
Patient transport services are those services provided by St John Ambulance Australia, the Royal Flying Doctor Service (RFDS) Western Operations and the Patient Assisted Travel Scheme (PATS). These services assist people in need of urgent medical treatment to reach the nearest appropriate medical facility or assist people living in rural or remote locations to access specialist services.

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

**Dental Health**
Dental health services include the school dental service, providing dental health assessment and treatment for school children, the adult dental service for financially and/or geographically disadvantaged people and specialist and general dental and oral healthcare 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.

**Continuing Care**
Aged and continuing care services include:

• the Home and Community Care (HACC) program providing services such as domestic assistance, social support, nursing care, respite, food and meal services, transport and home maintenance. These services aim to support people to stay at home where their capacity for independent living is at risk of premature admission to long-term residential care;

• the Transition Care program aims to help older people's independence and confidence at the end of a hospital stay by assisting them to maintain or improve their functional ability. This program provides the person with more time and support in a non-hospital environment to complete their restorative process, optimise their functional capacity and assists them and their family to access longer term care arrangements;

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(c) Reporting entity (continued)**

**Continuing Care (continued)**

• non-government continuing care programs that offer residential care type services for frail aged or younger disabled persons who are unable to access a permanent care placement in a Commonwealth Government funded residential aged care facility, or where their care needs exceed what can be provided in a normal home environment;

• residential care in rural areas provided for people assessed as no longer being able to live at home and include nursing home care provided by the State, nursing home type care provided in public hospitals and hostel care; and

• chronic illness support services providing people with a chronic condition with treatment and preventive care to enable them to remain healthy at home. Services include chronic disease support initiatives which aim to improve the life of those with chronic conditions, reduce avoidable hospital admissions and inpatient length-of-stay, emergency department attendance, and not-for-profit contracts that provide community members with services and support for a range of chronic conditions and illnesses.

**Mental Health**

Mental health services describe inpatient care in authorised hospitals and specialist mental health inpatient units located within general hospitals, and community-based services provided by Health Services. These include services in addition to those provided under agreement with the Mental Health Commission for specialised admitted and community mental health services.

**(d) 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 Treasurer's Instruction 955 '*Contributions by Owners made to Wholly Owned Public Sector Entities*' and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. Refer also to note 34 'Equity'.

While Metropolitan Health Services (MHS) has previously had full responsibility for managing the Joondalup Health Campus, Peel Health Campus and Midland Health Campus contracts, they have previously been reported within the annual statutory accounts of the Department of Health rather than MHS. This was a technical reporting requirement because of the previous inability under the Hospitals and Health Services Act 1927 which precluded hospital boards from applying money to fund services provided by private hospitals non government providers. The recent amendment of section 21 of the Hospitals and Health Services Act 1927 included the National Health Funding Pool Bill 2012 which clarified the power of the public hospital boards to apply money allocated to them to fund the provision of services by private hospitals and non government providers in their own right rather than have the Department of Health make these payments in the name of the State. The Minister for Health and the Department of Treasury have formally designated the transfer of the WA Health assets and liabilities under these contracts as a contribution by owner which will form part of the contributed equity of the Metropolitan Health Service. Accordingly the relevant assets and liabilities under these contracts as at 31 December 2013 were transferred from the Department of Health to MHS from 1 January 2014. Refer to note 26 'Property, plant and equipment', note 28 'Other assets', note 30 'Payables', note 32 'Borrowings' and note 34 'Equity'.

**(e) Income**

Revenue recognition

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

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

*Provision of services*
Revenue is recognised on delivery of the service to the customer.

*Service appropriations*
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 to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. Refer to note 20 'Income from State Government' for further information.

*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 2013-2014 Budget Statements, the Department retained $416k in 2014 ($385k in 2013) from the following:

. proceeds from fees and charges;
· sale of goods;
· Commonwealth specific purpose grants and contributions;
· one-off gains with a value of less than $10,000 derived from the sale of property other than real property; and
· other departmental revenue.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(e) Income (continued)**

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

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

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

Gains

Realised or 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.

**(f) Property, plant and equipment**

Capitalisation/expensing of assets

Items of property, plant and equipment costing $5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than $5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land and buildings, and historical cost for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

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

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

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

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

Refer also to note 26 'Property, plant and equipment' for further information on revaluations.

Derecognition

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

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 26 'Property, plant & equipment'.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

In order to apply this policy, the following methods are utilised:
* Land - not depreciated
* Buildings - diminishing value
* Plant and equipment - diminishing value with a straight line switch

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(f) Property, plant and equipment (continued)**

Depreciation (continued)

Under the diminishing value with a straight line switch method, the cost amounts of the assets are allocated on a diminishing value basis over the first half of their useful lives and a straight line basis for the second half of their useful lives.

The assets' useful lives are reviewed, and adjusted if appropriate, annually. Estimated useful lives for each class of depreciable asset are:

| | |
|---|---|
| Buildings | 50 years |
| Leasehold improvements | Term of the lease |
| Computer equipment | 4 to 10 years |
| Furniture and fittings | 10 to 20 years |
| Other plant and equipment | 4 to 15 years |

**(g) Impairment of assets**

Property, plant and equipment are tested for any indication of impairment at the end of each reporting period. 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. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised as expense in the Statement of Comprehensive Income. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Department is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

Refer to note 29 'Impairment of Assets' for the outcome of impairment reviews and testing.
Refer also to note 2(o) 'Receivables' and note 23 'Receivables' for impairment of receivables.

**(h) Non-current assets classified as held 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.

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

**(i) Leases**

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 buildings, 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 asset held under a finance lease 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.

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.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(j) Financial Instruments**

In addition to cash, the Department has two categories of financial instrument:
• Loans and receivables; and
• Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets
• Cash and cash equivalents;
• Restricted cash and cash equivalents;
• Receivables; and
• Amounts receivable for services.

Financial Liabilities
• Payables; and
• Borrowings (finance lease liabilities).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(k) Cash and cash equivalents**

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.

**(l) Accrued salaries**

Accrued salaries (refer note 30 'Payables') represent the amount due to employees but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (refer note 21 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

**(m) Amounts receivable for services (holding account)**

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The holding account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

Refer to note 24 'Amounts receivable for services' and note 20 'Income from State Government'.

**(n) Inventories**

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

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

Refer also to note 22 'Inventories'.

**(o) Receivables**

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

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 'Minister for Health in his Capacity as the Deemed Board of the Metropolitan Public Hospitals' (Metropolitan Health Services) was the NGR in previous financial years. The entities in the GST group include the Department of Health, Mental Health Commission, Metropolitan Health Services, Peel Health Service, WA Country Health Service, WA Alcohol and Drug Authority, QE II Medical Centre Trust, and Health and Disability Services Complaints Office.

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

Refer also to note 2(j) 'Financial instruments' and note 23 'Receivables'.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(p) Payables**

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

Refer also to note 2(j) 'Financial instruments' and note 30 'Payables'.

**(q) Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**(r) Provisions**

Provisions are liabilities of uncertain timing or amount, and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at end of each reporting period.

Provisions - employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

*Annual leave*

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions as well as the experience of employee departures and periods of service. The expected future payments are 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.

The provision of annual leave is classified as a current liability 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.

*Long service leave*

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions as well as the experience of employee departures and periods of service. The expected future payments are 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.

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.

*Sick Leave*

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

*Deferred Salary Scheme*

The provision for deferred salary scheme relates to the Department's employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. The liability is measured on the same basis as annual leave. It is reported as a current provision as employees can leave the scheme at their discretion at any time.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 2 Summary of significant accounting policies (continued)**

**(r) Provisions (continued)**

*Superannuation*

The Government Employees Superannuation Board (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.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Department makes contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency 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 has no liabilities under the Pension Scheme or the GSS. 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 makes all benefit payments in respect of the Pension Scheme and GSS transfer benefits, and is recouped from the Treasurer for the employer's share.

Refer to note 2(s) 'Superannuation Expense'.

Employment on-costs (workers' compensation insurance)

Employment on-costs are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'.

Refer to note 15 'Other expenses' and note 31 'Provisions'.

**(s) Superannuation expense**

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

**(t) Services received free of charge or for nominal cost**

Services received free of charge or for nominal cost, that the Department would otherwise purchase if not donated, are recognised as income at the fair value of the services where they can be reliably measured. A corresponding expense is recognised for services received.

Services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

**(u) Assets transferred between government agencies**

Discretionary transfers of net assets (assets and liabilities) between State Government agencies free of charge, are measured at the fair value of those net assets that the Department would otherwise pay for, and 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 '*Contributions*' in respect of the net assets transferred.

**(v) Comparative figures**

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

**Note 3 Judgements made by management in applying accounting policies**

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

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

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

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 4 Key sources of estimation uncertainty**

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

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

*Employee benefits provision*
In estimating the non-current long service leave provision, employees are assumed to leave the Department each year on account of resignation or retirement at 7.2%. This assumption was based on an analysis of the turnover rates exhibited by employees over a five years period. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years or to age 65 if earlier.

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

**Note 5 Disclosure of changes in accounting policy and estimates**

**Initial application of an Australian Accounting Standard**

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Department.

| | |
|---|---|
| AASB 13 | *Fair Value Measurement* |
| | This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial Impact. |
| AASB 119 | *Employee Benefits* |
| | This Standard supercedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. |
| | The Department assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material. |
| AASB 1048 | *Interpretation of Standards* |
| | This Standard supercedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact. |
| AASB 2011-8 | *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]* |
| | This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact. |
| AASB 2011-10 | *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]* |
| | This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material. |
| AASB 2012-5 | *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]* |
| | This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact. |
| AASB 2012-6 | *Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]* |
| | This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact. |
| AASB 2012-10 | *Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]* |
| | This Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact. |
| AASB 2013-9 | *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.* |
| | Part A of this omnibus Standard, makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard. |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 5 Disclosure of changes in accounting policy and estimates (continued)**

**Future impact of Australian Accounting Standards not yet operative**

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's Instruction 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. Consequently, the Department has not applied early any of the following Australian Accounting Standards which may impact the Department but not yet effective. Where applicable, the Department plans to apply these Standards and Interpretations from their application date:

| Title | | Operative for reporting periods beginning on/after |
|---|---|---|
| AASB 9 | *Financial Instruments* | |
| | This Standard supercedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. | 1 Jan 2017 |
| | The mandatory application date of this Standard was amended to 1 January 2017. The Department has not yet determined the application or the potential impact of the Standard. | |
| AASB 1031 | *Materiality* | 1 Jan 2014 |
| | This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality that is not available in IFRSs and refers to other Australian pronouncements that contain guidance on materiality. There is no financial impact. | |
| AASB 1055 | *Budgetary Reporting* | 1 Jul 2014 |
| | This Standard requires specific budgetary disclosures in the financial statements of not-for-profit entities within the General Government Sector. The Department will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact. | |
| AASB 2010-7 | *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]* | 1 Jan 2015 |
| | This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Department has not yet determined the application or the potential impact of the Standard. | |
| AASB 2013-3 | *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets* | 1 Jan 2014 |
| | This Standard introduces editorial and disclosure changes. There is no financial impact. | |
| AASB 2013-9 | *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments* | 1 Jan 2014<br>1 Jan 2017 |
| | The omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The Department has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B. | |

**Note 6 Prior year restatement**

The prior year's Receivables and Payables have been adjusted by the following amounts to include the GST on accrued expenses.

Information on the accounting procedure for Goods and Services Tax is provided at note 2(o).

| | 2013 (Previously stated) $000 | 2013 (Restated) $000 |
|---|---|---|
| Receivables (a) | 35,368 | 40,373 |
| Payables (b) | 88,470 | 93,475 |

(a) The restatement of Receivables has increased the GST Receivable by $5.005 million from $29.287 million to $34.292 million. (see note 23).

(b) The restatement of Payables has increased the Accrued Expenses amount by $5,005 million from $62.932 million to $67.937 million (see note 30).

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 7** | **Employee benefits expense** | | |
| | Salaries and wages (a) | 79,727 | 73,769 |
| | Superannuation - defined contribution plans (b) | 7,178 | 6,535 |
| | | 86,905 | 80,304 |

(a) Includes the value of fringe benefits to employees plus the fringe benefits tax component and the value of superannuation contribution component for leave entitlements.

(b) Defined contribution plans include West State, Gold State and GESB Super and other eligible funds.

Redundancy payments of $2.713 million were made in 2013/14 ($0.182 million in 2012/13).

Employment on-costs (workers' compensation insurance) are included at note 15 'Other expenses'. Any employment on-costs liability is included at note 31 'Provisions'.

| | | | |
|---|---|---|---|
| **Note 8** | **Contracts for services** | | |
| | Public patients services (a) | 185,624 | 333,848 |
| | Home and community care | 248,623 | 231,162 |
| | Patient transport service | 112,474 | 104,096 |
| | Other aged care services | 118,715 | 117,194 |
| | Mental health | 11,827 | 21,750 |
| | Blood and organs | 32,889 | 31,104 |
| | Aboriginal health | 7,664 | 7,961 |
| | Palliative care | 7,941 | 6,994 |
| | Oral health | 12,619 | 12,814 |
| | Other contracts | 74,041 | 79,686 |
| | | 812,417 | 946,609 |

(a) Private hospitals and non-government organisations are contracted to provide various services to public patients and the community. The reduction in expenditure during 2013/14 is mainly due to the transfer of Joondalup and Peel Health Campuses to Metropolitan Health Services on 1 January 2014.

| | | | |
|---|---|---|---|
| **Note 9** | **Supplies and services** | | |
| | Medical supplies | 39,658 | 41,623 |
| | Other consumables | 1,704 | 1,727 |
| | Operating lease rentals | 9,564 | 9,274 |
| | Other | - | 1 |
| | | 50,926 | 52,625 |

| | | | |
|---|---|---|---|
| **Note 10** | **Grants and subsidies** | | |
| | **Recurrent** | | |
| | Funding for the Delivery of Health Services by Autonomous Statutory Authorities (a): | | |
| | Metropolitan Health Services | 3,849,524 | 3,366,652 |
| | WA Country Health Service | 1,258,702 | 1,145,395 |
| | Quadriplegic Centre Board | 9,656 | 9,263 |
| | Queen Elizabeth II Medical Centre Trust | 285 | 922 |
| | Research and development grants | 18,011 | 15,414 |
| | Spectacle subsidy scheme | 2,237 | 2,420 |
| | Other | 3,957 | 6,788 |
| | | 5,142,372 | 4,546,854 |

(a) Includes the non-cash component of service appropriations. Refer to note 2(e) 'Service appropriations'.

| | | | |
|---|---|---|---|
| **Note 11** | **Depreciation expense** | | |
| | Buildings | 4,440 | 8,114 |
| | Computer equipment | 25 | 28 |
| | Furniture and fittings | 20 | 43 |
| | Other plant and equipment | 816 | 1,729 |
| | | 5,301 | 9,914 |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 12** | **Finance costs** | | |
| | Finance lease charges | 793 | 1,794 |
| **Note 13** | **Loss on disposal of non-current assets** | | |
| | Costs of disposal of non-current assets | | |
| | Property, plant and equipment | 4 | 70 |
| | Proceeds from disposal of non-current assets | | |
| | Property, plant and equipment | (1) | - |
| | Net loss | 3 | 70 |
| | Refer to note 26 'Property, plant and equipment'. | | |
| **Note 14** | **Contribution to Capital Works Fund** | 17,257 | 3,496 |
| | $17.257 million was paid to the Capital Works Fund during the 2013-14 financial year, an administered trust account of the Department, to fund the capital works program for the Health Services. | | |
| **Note 15** | **Other expenses** | | |
| | Advertising | 959 | 516 |
| | Communication | 1,042 | 967 |
| | Computer related expenses | 850 | 955 |
| | Doubtful debts expense | 10 | 158 |
| | Insurance | 187 | 215 |
| | Legal expenses | 1,139 | 1,187 |
| | Other employee related expenses | 2,479 | 2,784 |
| | Promotional expenses | 9 | 57 |
| | Repairs and maintenance | 924 | 872 |
| | Scholarships | 1,867 | 2,580 |
| | Travel related expenses | 769 | 688 |
| | Workers' compensation insurance (a) | 497 | 426 |
| | Freight and cartage | 655 | 646 |
| | Special functions | 848 | 879 |
| | Payment to Consolidated Fund (b) | 6,990 | - |
| | Repayment of Commonwealth grant (c) | 4,459 | - |
| | Other | 1,497 | 2,112 |
| | | 25,181 | 15,042 |

(a) The employment on-costs include workers' compensation insurance only. Any on-costs liability associated with the recognition of annual and long service leave liability is included at note 31 'Provisions'. Superannuation contributions accrued as part of the provision for leave entitlements are employee benefits and are not included in employment on-costs.

(b) Repayment of Royalties for Regions Fund received in a previous financial year for Southern Inland Health Initiative projects. Refer to note 47 'Special Purpose Accounts'.

(c) Repayment of Commonwealth funding received in a previous financial year.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 16** | **Commonwealth grants and contributions** | | |
| | **Cash Grants - Recurrent** | | |
| | National Health Reform Agreement (NHRA) (a): | | |
| | Local Hospital Networks | 1,328,840 | 1,227,498 |
| | Public Health | 35,297 | 32,653 |
| | Specific Purpose Grants: | | |
| | Home and Community Care | 163,200 | 151,475 |
| | Department of Veterans' Affairs | 118,184 | 62,374 |
| | Aged Care Programs | 30,171 | 38,769 |
| | Public Health Outcome Funding Agreement and Vaccines | - | 28,508 |
| | Subacute Care | 57,932 | 40,075 |
| | Multi-Purpose Services Sites | 25,804 | 25,267 |
| | Public Health Programs | 4,731 | 21,984 |
| | High Cost Drugs | 652 | 5,913 |
| | Other programs | 5,208 | 57,154 |
| | Other Grants | | |
| | Additional one off funding to offset the reduction in NHRA funding received in 2013/14 compared to Commonwealth budget (b) | 17,814 | - |
| | **Cash Grants - Capital** | | |
| | Midland Health Campus | 28,900 | - |
| | TAFE Clinical Training | - | 847 |
| | Simulated Learning | - | 66 |
| | **Non-Cash Contributions** | | |
| | Vaccine inventories received free of charge | 14,463 | 6,908 |
| | | 1,831,196 | 1,699,491 |

(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. In previous financial years, the equivalent Commonwealth funding was received in the form of Service Appropriations from the State Treasurer.

(b) The 2013-14 National Health Reform (NHRA) Funding for WA was revised downwards in the Commonwealth's 2013-14 Mid-Year Economic and Fiscal Outlook (MYEFO) and the 2014-15 Budget due to parameter updates under the National Health Reform Specific Purpose Payment indexation formula. The Commonwealth provided additional funding to WA in 2013-14 to offset the reduced payments made in 2013-14 for NHRA funding. The reduced payments are relative to the Commonwealth's original 2013-14 Budget estimates for NHRA funding for WA.

| | | | |
|---|---|---|---|
| **Note 17** | **Other grants and contributions** | | |
| | Mental Health Commission - service delivery agreement | 11,392 | 20,596 |
| | Mental Health Commission - Sub Acute Care Program | - | 5,825 |
| | Mental Health Commission - Mandatory Program | 176 | 157 |
| | Mental Health Commission - Individualised Community Living Strategy | - | 1,400 |
| | Mental Health Commission - Improving Public Hospitals Service program | 2,572 | - |
| | Department of Education - Health services for students at public schools | 6,790 | 6,467 |
| | | 20,930 | 34,445 |
| **Note 18** | **Finance income** | | |
| | Finance lease income | 957 | - |
| **Note 19** | **Donation revenue** | | |
| | General public contributions | 1,000 | 1,085 |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 20** | **Income from State Government** | | |
| | **Service appropriations (a)** | | |
| | Appropriations received to deliver services | 4,117,213 | 3,716,401 |
| | Amount authorised by other statutes: | | |
| | Salaries and Allowances Act 1975 | 663 | 625 |
| | Lotteries Commission Act 1990 | 120,000 | 121,474 |
| | | 4,237,876 | 3,838,500 |
| | **Assets transferred (b)** | | |
| | The following assets have been transferred from/(to) other state government agencies during the period: | | |
| | Asset assumed | | |
| | Building from WA Country Health Service | - | 101 |
| | Radiation health building from Metropolitan Health Services | 1,471 | - |
| | Asset transferred | | |
| | Land to WA Country Health Service | - | (4) |
| | Medical equipment to Metropolitan Health Services and WA Country Health Services | (15) | - |
| | Furniture to Metropolitan Health Services | - | (5) |
| | Other equipment to Metropolitan Health Services | - | (65) |
| | | 1,456 | 27 |
| | **Services received free of charge (c)** | | |
| | Determined on the basis of the following estimates provided by agencies: | | |
| | Department of Education - accommodation | 869 | 828 |
| | Landgate - valuation services and land information | 302 | 335 |
| | State Solicitor's Office - legal service | 1,044 | 1,099 |
| | Department of Finance - accommodation management fees | - | 3 |
| | | 2,215 | 2,265 |
| | **Royalties for Regions Fund (d)** | | |
| | Regional Community Services Account (d): | | |
| | Regional Workers Incentives | 20,326 | 13,691 |
| | Royal Flying Doctor Service | 12,125 | 4,492 |
| | Pilbara Health Partnership | 2,500 | 4,406 |
| | St John Ambulance | 6,891 | 3,549 |
| | Rural Generalist Pathways | 1,800 | 1,203 |
| | Pilbara Cardiovascular Screen Program | - | 596 |
| | Reach Program | - | 500 |
| | Rural In-Reach Program-Women (Women's Support Health Care) | 364 | - |
| | Patient Assisted Travel Scheme | 19,104 | - |
| | Pilbara Cardiovascular Screen Program | 91 | - |
| | Renal Dialysis Service Expansion program | 340 | - |
| | Busselton ICT | 6,472 | - |
| | | 70,013 | 28,437 |

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Discretionary transfers of assets 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 'Contributions' in respect of the net assets transferred. 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 that can be reliably measured and which would have been purchased if they were not donated.

(d) This is a sub-fund within the over-arching 'Royalties for Regions Fund' established under the Royalties for Regions Act 2009. The recurrent funds are committed to projects and programs in WA regional areas.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 21** | **Restricted cash and cash equivalents** | | |
| | **Current** | | |
| | Commonwealth Specific Purpose Grants (a) | 188,575 | 222,251 |
| | Royalties for Regions Fund (b) | 184,073 | 211,027 |
| | Telethon - Perth Children's Hospital Research Fund (c) | 4,036 | 2,000 |
| | | 376,684 | 435,278 |
| | **Non-Current** | | |
| | Accrued Salaries Suspense Account (d) | 57,916 | 56,639 |
| | | 434,600 | 491,917 |

(a) Funds held for the specific purposes stipulated by Commonwealth Government for 'Public Health Outcome Funding Agreement (PHOFA)' and vaccines, other public health programs, home and community care, other aged care programs, Department of Veterans' Affairs, subacute care, organ tissue donation program, and other initiatives and programs.

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

(c) Funds received from the Channel 7 Telethon Trust, the Department of Health and other donors to fund and promote child and adolescent health research in Western Australia. Refer to note 47 'Special Purpose Accounts'.

(d) Funds held in the suspense account at the Department of Treasury will be used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. The 2014 amount includes $53.933 million (2013: $53.933 million) held for the Statutory Authorities within WA Health.

| | | | |
|---|---|---|---|
| **Note 22** | **Inventories** | | |
| | **Current** | | |
| | Drug supplies (at cost) | 7,319 | 4,393 |
| | State Distribution Centre - supply stores (at cost) | 5,366 | - |
| | | 12,685 | 4,393 |

The financial responsibility for the supply inventory stores has been transferred from Metropolitan Health Services to the Department of Health since the opening of the State Distribution Centre at Jandakot in the 2013/14 financial year.

Refer to note 2(n) 'Inventories'.

| | | | |
|---|---|---|---|
| **Note 23** | **Receivables** | | |
| | **Current** | | |
| | Receivables | 2,708 | 2,369 |
| | Allowance for impairment of receivables | (22) | (181) |
| | Accrued revenue | 2,388 | 3,893 |
| | | 5,074 | 6,081 |
| | GST receivable | 34,315 | 34,292 |
| | Total current | 39,389 | 40,373 |
| | **Reconciliation of changes in the allowance for impairment of receivables:** | | |
| | Balance at start of period | 181 | 23 |
| | Doubtful debts expense | 9 | 158 |
| | Amounts written off during the period | (168) | - |
| | Balance at end of period | 22 | 181 |

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

The rights to collect GST receivable from the Australian Taxation Office have been assigned to the Department of Health from 1 July 2012. The Department of Health has become the Nominated Group Representative (NGR) for the GST Group as from this date. The entities in this group include the Department of Health, Mental Health Commission, Metropolitan Health Services, Peel Health Service, WA Country Health Service, WA Alcohol and Drug Authority, Queen Elizabeth II Medical Centre Trust, and the Health and Disability Services Compliants Office. Metropolitan Health Services was the NGR in the previous financial years.

Refer to note 2(o) 'Receivables' and note 50 'Financial instruments'.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 24** | **Amounts receivable for services (Holding Account)** | | |
| | Current | - | 5,968 |
| | Non-current | 98,958 | 79,066 |
| | | 98,958 | 85,034 |

Represents the non-cash component of service appropriations (refer to note 2(m) 'Amounts receivable for services (holding account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

| | | | |
|---|---|---|---|
| **Note 25** | **Finance lease receivable** | | |
| | Non-current | 957 | - |

Refer to note 2(i) 'Leases' .

| | | | |
|---|---|---|---|
| **Note 26** | **Property, plant and equipment** | | |
| | **Land** | | |
| | At fair value (a) | 9,404 | 54,259 |
| | **Buildings** | | |
| | At fair value (a) | 14,181 | 280,398 |
| | Accumulated depreciation | - | - |
| | | 14,181 | 280,398 |
| | **Computer equipment** | | |
| | At cost | 203 | 186 |
| | Accumulated depreciation | (149) | (132) |
| | | 54 | 54 |
| | **Furniture and fittings** | | |
| | At cost | 36 | 437 |
| | Accumulated depreciation | (20) | (58) |
| | | 16 | 379 |
| | **Other plant and equipment** | | |
| | At cost | 2,676 | 13,135 |
| | Accumulated depreciation | (1,940) | (3,405) |
| | | 736 | 9,730 |
| | **Works in progress** | | |
| | Buildings under construction (at cost) | - | 123,789 |
| | Other Work in Progress (at cost) | - | 35 |
| | | - | 123,824 |
| | **Artworks** | | |
| | At cost | 85 | 85 |
| | **Total property, plant and equipment** | 24,476 | 468,729 |

Information on fair value measurements is provided in Note 27.

(a) Land and buildings were revalued as at 1 July 2013 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2014 and recognised at 30 June 2014. In undertaking the revaluation, fair value was determined by reference to market values for land: $3,692,600 (2013: $18,297,750). For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). Refer also to note 2(f) 'Property, plant and equipment'.

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out below.

| | | |
|---|---|---|
| ***Land*** | | |
| Carrying amount at the start of year | 54,259 | 57,714 |
| Transfers from/(to) other reporting entities | - | (4) |
| Transfers to Metropolitan Health Services (a) | (46,900) | - |
| Revaluation increments / (decrements) | 2,045 | (3,451) |
| Carrying amount at the end of year | 9,404 | 54,259 |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 26** | **Property, plant and equipment (continued)** | | |
| | ***Buildings*** | | |
| | Carrying amount at the start of year | 280,398 | 274,105 |
| | Transfers from/(to) other reporting entities | 1,471 | 101 |
| | Transfers to Metropolitan Health Services (a) | (263,737) | - |
| | Other Disposals | - | (65) |
| | Revaluation increments/(decrements) | 488 | 14,371 |
| | Depreciation | (4,440) | (8,114) |
| | Carrying amount at the end of year | 14,181 | 280,398 |
| | ***Computer Equipment*** | | |
| | Carrying amount at the start of year | 54 | 50 |
| | Additions | 25 | 32 |
| | Depreciation | (25) | (28) |
| | Carrying amount at the end of year | 54 | 54 |
| | ***Furniture & fittings*** | | |
| | Carrying amount at the start of year | 379 | 426 |
| | Transfers from/(to) other reporting entities | - | (4) |
| | Transfers to Metropolitan Health Services (a) | (342) | - |
| | Depreciation | (20) | (43) |
| | Carrying amount at the end of year | 16 | 379 |
| | ***Other Plant & equipment*** | | |
| | Carrying amount at the start of year | 9,730 | 11,399 |
| | Additions | 177 | 65 |
| | Transfers from/(to) other reporting entities | (15) | - |
| | Transfers to Metropolitan Health Services (a) | (8,342) | - |
| | Other disposals | - | (5) |
| | Depreciation | (816) | (1,729) |
| | Carrying amount at the end of year | 736 | 9,730 |
| | ***Works in progress*** | | |
| | Carrying amount at the start of year | 123,824 | 25,557 |
| | Additions | 80,620 | 98,267 |
| | Transfers from/(to) other reporting entities | - | - |
| | Transfers to Metropolitan Health Services (a) | (204,444) | - |
| | Carrying amount at the end of year | - | 123,824 |
| | ***Artworks*** | | |
| | Carrying amount at the start of year | 85 | - |
| | Additions | - | 85 |
| | Carrying amount at the end of year | 85 | 85 |
| | ***Total property, plant and equipment*** | | |
| | Carrying amount at the start of year | 468,729 | 369,251 |
| | Additions | 80,823 | 98,449 |
| | Transfers from/(to) other reporting entities | 1,456 | 93 |
| | Transfers to Metropolitan Health Services (a) | (523,764) | - |
| | Other disposals | - | (70) |
| | Revaluation increments/(decrements) | 2,533 | 10,920 |
| | Depreciation | (5,301) | (9,914) |
| | Carrying amount at the end of year | 24,476 | 468,729 |

(a) Property, plant and equipment relating to Joondalup Health Campus, Peel Health Campus and Midland Health Campus were transferred to the Metropolitan Health Services on 1 January 2014. Refer to note 34 'Equity' for further information.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended 30 June 2014**

**Note 27 Fair value measurements**

**(a) Fair value hierarchy**

**AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:**

1) quoted prices (unadjusted) in active markets for identical assets (level 1).
2) input other than quoted prices included within level 1 that are observable for the asset either directly or indirectly (level 2); and
3) Inputs for the asset that are not based on observable market data (unobservable input) (level 3).

The following table represents the Department's assets measured and recognised at fair value at 30 June 2014.

| Assets measured at fair value: | Level 1 $000 | Level 2 $000 | Level 3 $000 | Total $000 |
|---|---|---|---|---|
| **Land** | | | | |
| Vacant land | - | 3,693 | 1 | 3,694 |
| Specialised | - | - | 5,710 | 5,710 |
| **Buildings** | | | | |
| Specialised | - | - | 14,181 | 14,181 |
| | - | 3,693 | 19,892 | 23,585 |

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

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

The Department obtains independent valuations of land and buildings from the Western Australian Land Information Authority (Landgate Valuation Services) annually. Two principal valuation techniques are applied to the measurement of fair values:

Market Approach (Comparable Sales)
The Department's vacant land are valued under the market approach. This approach provides an indication of value by comparing the asset with identical or 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.

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

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

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

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

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

The valuation under cost approach commences in the fourth year subsequent to the building commissioning, as the actual construction cost, with adjustment of the annual movement in building cost index, is an approximation of current replacement cost in the first three years. The building cost index is published by the Department of Finance's Building Management and Works.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 27 Fair value measurements (continued)**

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

Cost Approach (continued)

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

a) Review and updating of the 'as-constructed' drawing documentation;
b) Categorisation of the drawings using the Building Utilisation Categories (BUC's) which designate the functional areas typically provided by the following types of clinical facilities. Each BUC has different cost rates which are calculated from the historical construction costs of similar clinical facilities and are adjusted for the year-to-year change in building costs using building cost index.
   • Community Health Centres
   • Buildings on hospital sites utilised for Public Health
c) Measurement of the general floor areas;
d) Application of the BUC cost rates per square meter of general floor areas;
e) Application of the applicable regional cost indices, which are used throughout the construction industry to estimate the additional costs associated with building construction in locations outside of the Perth area.

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

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

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

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

**(c) Fair value measurements using significant unobservable inputs**

The following table represents the changes in level 3 items for the period ended 30 June 2014:

| | Land $000 | Buildings $000 |
|---|---|---|
| **2014** | | |
| Fair value at start of period | 35,962 | 280,398 |
| Additions | - | 1,471 |
| Revaluation increments/(decrements) recognised in Other Comprehensive Income | 1,750 | 488 |
| Transfers to Metropolitan Health Services (a) | (32,001) | (263,737) |
| Depreciation Expense | - | (4,440) |
| **Fair value at end of period** | 5,711 | 14,181 |

**(d) Information about significant unobservable inputs (Level 3) in fair value measurements**

| Description | Fair value at 30 June 2014 $000 | Unobservable inputs | Range of inputs (weighted average) | Relationship of unobservable inputs to fair value |
|---|---|---|---|---|
| Specialised Land | $5,711 | Difference between hypothetical alternate land use value and current use land value | 0% - 40% (36.3%) of hypothetical alternate land use value | The higher the difference, the lower the fair value |
| Specialised Buildings | $14,181 | Residual value of 25% of current replacement cost | $538,050 per building | The change of residual value percentage by +/- 5% (i.e. 20% or 30%) results in a change in fair value of $107,610 |

Residual values used in the calculation of depreciated replacement costs is an unobservable input for specialised buildings, as the valuation processes do not involve physical inspection on site to determine the actual conditions of the assets.

**(e) Valuation processes**

The Financial Services Branch at the Health Corporate Network (HCN) manages the valuation processes for the Department. These include the provision of property information to quantity surveyor and Landgate Valuation Services and the review of the valuation reports. Discussions of valuation processes and results are held between the HCN and the chief finance officer at least once every year.

Landgate Valuation Service determines the fair values of the Department's land and buildings annually. A quantity surveyor is engaged by the Department of Health to provide an annual update of the current replacement costs for specialised buildings. The Landgate Valuation Services endorses the current replacement costs calculated by the quantity surveyor and calculates the depreciated replacement costs.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 28** | **Other assets** | | |
| | **Current** | | |
| | Prepayments | 640 | 5,147 |
| | **Non-current** | | |
| | Prepayments (a) | 4,811 | 5,395 |
| | | 5,451 | 10,542 |

(a) During the 2011-12 financial year, $6.555 million was prepaid for palliative care services to be received in the next ten financial years.

**Note 29 Impairment of Assets**

There were no indications of impairment to property, plant and equipment at 30 June 2014.

The Department held no goodwill during the reporting period.

**Note 30 Payables**

| | 2014 $000 | 2013 $000 |
|---|---|---|
| **Current** | | |
| Trade payables | 22,282 | 22,916 |
| Accrued salaries | 2,922 | 2,622 |
| Accrued expenses | 37,944 | 67,937 |
| Total current | 63,148 | 93,475 |

Refer to note 2(p) 'Payables' and note 50 'Financial Instruments'.

**Note 31 Provisions**

| | 2014 $000 | 2013 $000 |
|---|---|---|
| **Current** | | |
| Employee benefits provision | | |
| Annual leave (a) | 7,952 | 7,619 |
| Long service leave (b) | 10,718 | 10,259 |
| Deferred salary scheme (c) | 141 | 67 |
| | 18,811 | 17,945 |
| **Non-current** | | |
| Employee benefits provision | | |
| Long service leave (b) | 3,406 | 3,558 |
| | 22,217 | 21,503 |

(a) Annual leave liabilities have been 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:

| | | |
|---|---|---|
| Within 12 months of the end of the reporting period | 5,648 | 5,338 |
| More than 12 months after the end of the reporting period | 2,304 | 2,281 |
| | 7,952 | 7,619 |

(b) Long service leave liabilities have been classified as current where 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:

| | | |
|---|---|---|
| Within 12 months of the end of the reporting period | 2,175 | 2,075 |
| More than 12 months after the end of the reporting period | 11,949 | 11,742 |
| | 14,124 | 13,817 |

(c) Deferred salary scheme liabilities have been 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:

| | | |
|---|---|---|
| Within 12 months of the end of the reporting period | - | - |
| More than 12 months after the end of the reporting period | 141 | 67 |
| | 141 | 67 |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 32** | **Borrowings** | | |
| | **Current** | | |
| | Finance lease liabilities (a) | - | 3,512 |
| | **Non-current** | | |
| | Finance lease liabilities (a) | - | 15,055 |
| | | - | 18,567 |

(a) The finance lease relating to Joondalup Health Campus was transferred to the Metropolitan Health Services on 1 January 2014.

| | | |
|---|---|---|
| The total carrying amounts of buildings (included in note 26) for the public hospital facility at the Joondalup Health Campus includes the amount pledged as security: | - | 112,957 |

The finance lease contract was for the initial construction of the public hospital facility at the Joondalup Health Campus in 1996. Since September 2009, the public hospital facility has undergone significant redevelopment which is fully funded by the State Government. Consequently, the carrying amounts of the existing buildings for the public hospital facility are above the total amounts of the finance lease liabilities.

Refer to note 50 'Financial instruments' and note 37 'Finance lease commitments'.

| | | | |
|---|---|---|---|
| **Note 33** | **Other current liabilities** | | |
| | Unearned Income | 1,100 | 66 |
| **Note 34** | **Equity** | | |

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

| | | |
|---|---|---|
| **Contributed equity** | | |
| Balance at the start of period | 315,001 | 278,292 |
| Contributions by owners | | |
| Capital appropriation (a) | 49,728 | 36,709 |
| Distributions to owner | | |
| Transfer of assets and liabilities to Metropolitan Health Services (b) | (507,898) | - |
| Balance at the end of period | (143,169) | 315,001 |

(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) In accordance with the Minister's direction, the assets and liabilities relating to Joondalup Health Campus, Peel Health Campus and Midland Health Campus were transferred to Metropolitan Health Services on 1 January 2014. This transfer of assets and liabilities has been formally designated as a contributions by owner for the Metropolitan Health Services and a distribution to owners for the Department.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 34 Equity (continued)**

| | $000 |
|---|---|
| **Assets** | |
| Cash | 40,867 |
| Land | 46,900 |
| Buildings | 263,737 |
| Medical equipment | 8,342 |
| Furniture and fittings | 342 |
| Work in progress | 204,443 |
| Prepayments | 1,774 |
| **Total Assets** | 566,406 |
| **Liabilities** | |
| Accrued expense-payment of service contracts for December 2013 | (41,660) |
| Finance lease liability | (16,848) |
| **Total Liabilities** | (58,508) |
| **Net assets transferred to Metropolitan Health Services** | 507,898 |

| **Reserves** | **2014 $000** | **2013 $000** |
|---|---|---|
| Asset revaluation reserve | | |
| Balance at the start of period | 300,578 | 289,658 |
| Net revaluation increments/(decrements): | | |
| Land | 2,045 | (3,451) |
| Buildings | 488 | 14,371 |
| | 2,533 | 10,920 |
| Balance at the end of period | 303,111 | 300,578 |
| **Accumulated surplus** | | |
| Balance at the start of period | 362,004 | 405,758 |
| Result for the period | 34,317 | (43,754) |
| Balance at the end of period | 396,321 | 362,004 |

**Note 35 Notes to the Statement of Cash Flows**

**Reconciliation of cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | | |
|---|---|---|
| Cash and cash equivalents | 26,212 | 10,206 |
| Restricted cash and cash equivalents (refer to note 21) | 434,600 | 491,917 |
| | 460,812 | 502,123 |

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

| | | |
|---|---|---|
| **Net cost of services** | (4,277,243) | (3,912,983) |
| Non-cash items: | | |
| Depreciation expense | 5,301 | 9,914 |
| Doubtful debts expense | 10 | 158 |
| Services received free of charge | 2,215 | 2,265 |
| Donation of non-current assets | - | (85) |
| Loss on disposal of non current assets | 3 | 70 |
| Transfer of non-cash funding to Health entities | 205,036 | 198,186 |
| (Increase)/decrease in assets: | | |
| Inventories | (8,292) | 75 |
| Receivables | 974 | (30,018) |
| Other assets | 648 | (3,987) |
| Finance lease receivable | (957) | - |
| Increase/(decrease) in liabilities: | | |
| Payables | (30,327) | 28,433 |
| Provisions | 715 | 2,307 |
| Other liabilities | 1,034 | 66 |
| Transfer of cash to other agency for payments relating to operating activities. | 40,552 | - |
| **Net cash provided by/(used in) operating activities** | (4,060,331) | (3,705,599) |

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.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| Note 35 Notes to the Statement of Cash Flows (continued) | 2014 $000 | 2013 $000 |
|---|---|---|
| **Non-cash item for investing activities** | | |
| Payment for construction of QEII Multi Deck Car Park (note 2(i)) | (104,142) | - |
| **Non-cash item for financing activities** | | |
| Receipt of rental prepayment for QEII Multi Deck Car Park (note 2(i)) | 104,142 | - |

**Note 36 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:

| | | |
|---|---|---|
| Contiguous Local Authorities Group - provision of aerial larvicide application | 918 | 664 |
| Department of Corrective Services - meat inspection service | 113 | 108 |
| Department of Education - maintenance and updating of teacher support website | 114 | 169 |
| Department of Environment & Conservation - specialist toxicology advice | - | 320 |
| Department of Planning & Infrastructure - on site waste water disposal review | 119 | 133 |
| Town of Port Headland - assessment of building proposals | 175 | - |
| Water Corporation - drinking water quality management advice and biosolids disposal approvals | 191 | 275 |
| Others | 269 | 277 |
| | 1,899 | 1,946 |

**Note 37 Commitments**

The commitments below are inclusive of GST where relevant.

**Finance lease commitments**

Minimum lease payment commitments in relation to finance leases are payable as follows:

| | | |
|---|---|---|
| Within 1 year | - | 5,024 |
| Later than 1 year and not later than 5 years | - | 17,762 |
| Later than 5 years | - | - |
| Minimum finance lease payments | - | 22,786 |
| Less: Future finance charges | - | (4,219) |
| **Present value of finance lease liabilities** | - | 18,567 |

The present value of finance leases payable is as follows:

| | | |
|---|---|---|
| Within 1 year | - | 3,512 |
| Later than 1 year and not later than 5 years | - | 15,055 |
| Later than 5 years | - | - |
| **Present value of finance lease liabilities** | - | 18,567 |

Included in the financial statements as:

| | | |
|---|---|---|
| Current (Note 32 'Borrowings') | - | 3,512 |
| Non-current (Note 32 'Borrowings') | - | 15,055 |
| | - | 18,567 |

The finance lease liability relating to a number of Joondalup Health Campus buildings was transferred from the Department to the Metropolitan Health Services on 1 January 2014. The leased buildings are located on Crown land and consequently the Metropolitan Health Services has the option to take possession of the leased buildings on expiry of the lease. The leasing arrangement does not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by the leasing arrangement on other financing transactions. The finance lease does not have a contingent rental obligation.

**Non-cancellable operating lease commitments**

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

| | | |
|---|---|---|
| Within 1 year | 9,430 | 7,397 |
| Later than 1 year and not later than 5 years | 19,205 | 18,759 |
| | 28,635 | 26,156 |

The leases are non-cancellable, with rent payable monthly in advance. Operating leases relating to government owned buildings have contingent rental obligations based upon current property valuations. There are no restrictions imposed by these leasing arrangements on other financing transactions.

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 37** | **Commitments (continued)** | | |
| | **Private sector contracts for the provision of health services** | | |
| | Expenditure commitments in relation to private sector organisations contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows: | | |
| | Within 1 year | 581,920 | 1,128,959 |
| | Later than 1 year and not later than 5 years | 839,051 | 2,273,210 |
| | Later than 5 years and not later than 10 years | 151,845 | 2,466,344 |
| | Later than 10 years | - | 2,464,259 |
| | | 1,572,816 | 8,332,772 |
| | Contracts for the provision of health services for the Joondalup Health Campus and Peel Health Campus were transferred to the Metropolitan Health Services on 1 January 2014. | | |
| | **Capital expenditure commitments** | | |
| | Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: | | |
| | Within 1 year | - | 208,358 |
| | Later than 1 year and not later than 5 years | - | 106,922 |
| | | - | 315,280 |
| | Capital expenditure commitments relating to the Joondalup Health Campus, Peel Health Campus and Midland Health Campus were transferred to the Metropolitan Health Services on 1 January 2014. | | |
| | **Other expenditure commitments** | | |
| | Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows: | | |
| | Within 1 year | 2,446 | 2,781 |
| | Later than 1 year and not later than 5 years | 622 | 1,019 |
| | Later than 5 years | - | 176 |
| | | 3,068 | 3,976 |
| **Note 38** | **Contingent liabilities and contingent assets** | | |
| | **Contingent liabilities** | | |
| | The following contingent liabilities are additional to the liabilities included in the financial statements: | | |
| | Litigation in progress | | |
| | Pending litigation that may affect the financial position of the Department | 2,100 | - |
| | Number of claims | 1 | - |
| | **Contingent assets** | | |
| | At the reporting date, the Department is not aware of any contingent assets. | | |
| **Note 39** | **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. | | |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 40 Explanatory statement**

Significant variations between estimates and actual results for income and expenses as presented in the financial statement titled 'Summary of Consolidated Account Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10%.

**Significant variances between estimates and actual for 2014 - Total appropriations to deliver services:**

| | 2014 Estimate $000 | 2014 Actual $000 | Variance $000 |
|---|---|---|---|
| (a) Total cost of services | | | |
| Home-Based Hospital Programs | 58,842 | 41,795 | (17,047) |

From 1 July 2013, the Rehabilitation in the Home program was no longer reported under the Home-Based Hospital Programs service. It is now reported under the Public Hospital Non-Admitted Patients service. This resulted in a decrease in overall Home-Based Hospital expenditure.

| | | | |
|---|---|---|---|
| Mental Health | 523,759 | 630,472 | 106,713 |

Actual costs include additional expenditure above the contracted value, due in part to the provision of additional mental health services outside the agreed scope of service agreement with the Mental Health Commission, together with overall increased activity and operating expenditure for mental health inpatients and community services within WACHS and MHS.

| | | | |
|---|---|---|---|
| (b) Adjustments | (131,050) | (211,835) | (80,785) |

The variance is due to a $20.8m increase in Royalties for Regions funding during 2013/14 in order to match project timeframes, as well as changes to cash, payables and receivables balances.

**Significant variances between estimates and actual for 2014 - Capital expenditure:**

| | | | |
|---|---|---|---|
| (a) Purchase of non-current physical assets | 1,118,154 | 905,066 | (213,088) |

The variance is due to timing differences regarding the implementation of the capital works program.

| | | | |
|---|---|---|---|
| (b) Adjustments for other funding sources | (822,473) | (596,211) | 226,262 |

The variance is mainly due to reduced capital activity following timeline changes to projects, including Perth Children's Hospital $40m, reduction to holding fund drawdown $13m, reduced DTF administration drawdown $31m and reduced Royalties for Region funding $42m.

**Significant variances between actual for 2014 and 2013 - Total appropriations to deliver services:**

| | 2014 Actual $000 | 2013 Actual $000 | Variance $000 |
|---|---|---|---|
| (a) Appropriations | | | |
| Net amount appropriated to deliver services | 4,068,435 | 3,717,829 | 350,606 |

The increase in Net amount appropriated to deliver services is mainly due to service appropriation increases for: additional health service activity ($221 million); the service reconfiguration of the South Metropolitan Health Services to accommodate the Fiona Stanley Hospital ($38 million); award changes in nursing salaries ($31 million); Commonwealth changes to the Superannuation Guarantee ($15 million); and transfer of appropriations for the Closing the Gap initiative ($31million), Voluntary Severances ($11 million), and Component Two of Government's Delivering Services In Partnership Policy ($6 million).

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 40 Explanatory statement (continued)**

**Significant variances between actual for 2014 and 2013 - Total appropriation to deliver services (continued):**

| | 2014 Actual $000 | 2013 Actual $000 | Variance $000 |
|---|---|---|---|
| (b) Total Cost of Services | | | |
| Home-Based Hospital Programs | 41,795 | 54,295 | (12,500) |
| The variance is mainly due to the Rehabilitation in the Home model of care now included under the Public Hospital Non-Admitted Patients service from July 2013. | | | |
| Palliative Care | 30,553 | 27,694 | 2,859 |
| The general cost of providing palliative care services has increased in 2013-14, combined with an increase in operating costs, resulting in an overall increase in total expenditure. | | | |
| Emergency Department | 643,988 | 568,778 | 75,210 |
| In 2012/13 the WA Country Health Service moved to a new standardised cost centre structure with hospitals allocating costs incurred in emergency departments to an emergency department cost centre. Previously these costs were allocated to an outpatient cost centre. During 2013–14 the implementation of this standardised cost centre structure has continued throughout the WA Country Health Service and has resulted in a significant increase in costs. | | | |
| Continuing Care | 487,787 | 437,766 | 50,021 |
| The 2013/14 expenses are based on a contractual agreement between WA Health and the service provider and are determined by projected activity. The variance is due to increased project activity during 2013/14 when compared to previous year. | | | |
| Mental Health | 630,472 | 563,990 | 66,482 |
| The variance is mainly due to an overall increase in activity and operating expenditure, together with increased cost of service provision, for mental health inpatients and community services during 2013/14 for both WACHS and MHS. | | | |
| (c) Total Income | (2,974,705) | (2,736,438) | (238,267) |
| The variance is due to increases in the recoup of hospital costs ($17 million), services rendered to the Mental Health Commission ($21 million), payments from the Department of Veteran's Affairs ($60 million) for services to ex military veterans, and grants and subsidies ($13 million). | | | |
| (d) Adjustments | (211,835) | (372,435) | 160,600 |
| The variance relates mainly to changes in cash balances, payables and receivables. | | | |

**Significant variances between actual for 2014 and 2013 - Capital appropriations:**

| | | | |
|---|---|---|---|
| (a) Capital appropriations | 329,441 | 248,091 | 81,350 |
| During 2013/14 timelines were revised for numerous capital projects. Subsequent changes to the funding mix resulted in additional capital appropriations in 2013/14. | | | |

**Significant variances between actual for 2014 and 2013 - Capital expenditure:**

| | | | |
|---|---|---|---|
| (a) Repayment of borrowings | 20,586 | 8,419 | 12,167 |
| The variance is due to additional finance leases, relating to the Fiona Stanley Hospital, becoming due during 2013/14, resulting in increased principal repayments. | | | |
| (b) Adjustments for other funding sources | (596,211) | (693,975) | 97,764 |
| The variance reflects the reduced administration funding drawn for the Fiona Stanley Hospital, and changes in the timeline of the revised capital works program requiring less funding in 2013/14. | | | |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

**Note 41 Remuneration of senior officers**

The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

| | 2014 | 2013 |
|---|---|---|
| $40,001 - $50,000 | - | 1 |
| $50,001 - $60,000 | - | 1 |
| $60,001 - $70,000 | 1 | - |
| $70,001 - $80,000 | 1 | - |
| $100,001 - $110,000 | - | 1 |
| $110,001 - $120,000 | - | 1 |
| $120,001 - $130,000 | 2 | - |
| $130,001 - $140,000 | 1 | - |
| $150,001 - $160,000 | 1 | - |
| $160,001 - $170,000 | - | 2 |
| $180,001 - $190,000 | 1 | - |
| $200,001 - $210,000 | 1 | 1 |
| $220,001 - $230,000 | - | 1 |
| $250,001 - $260,000 | - | 1 |
| $300,001 - $310,000 | 1 | - |
| $320,001 - $330,000 | - | 1 |
| $350,001 - $360,000 | 1 | - |
| $400,001 - $410,000 | - | 1 |
| $410,001 - $420,000 | 1 | - |
| $440,000 - $450,000 | - | - |
| $450,001 - $460,000 | 1 | 1 |
| $460,001 - $470,000 | - | 1 |
| $480,001 - $490,000 | 1 | - |
| $650,001 - $660,000 | 1 | - |
| | 14 | 13 |

| | $000 | $000 |
|---|---|---|
| Base remuneration and superannuation | 3,669 | 2,980 |
| Annual leave and long service leave accruals | (9) | (37) |
| Other benefits | 78 | 47 |
| **Total remuneration of senior officers** | 3,738 | 2,990 |

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

**Note 42 Remuneration of auditor**

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 and key performance indicators | 340 | 340 |

This expense is included at Note 15 'Other expenses'

**Note 43 Related bodies**

A related body is a body which receive 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 during the financial year.

**Note 44 Affiliated bodies**

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

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

| | | |
|---|---|---|
| Research and development | 18,032 | 15,446 |
| Public health | 3,925 | 6,643 |
| | 21,957 | 22,089 |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 45** | **Other statement of receipts and payments** | | |
| | **Commonwealth Grant - Christmas and Cocos Island** | | |
| | Balance at the start of period | - | (1,277) |
| | Receipts | | |
| | Commonwealth grant | 1,609 | 3,809 |
| | Payments | | |
| | Purchase of WA Health Services | (1,609) | (2,532) |
| | | (1,609) | (2,532) |
| | **Balance at the end of period** | - | - |
| **Note 46** | **Private Trust Account** | | |
| | **Peel Health Campus Service Agreement Trust Fund** | | |
| | These funds are private in nature and are not incorporated into the controlled and administered transactions of the Department's financial statements. | | |
| | The purpose of the trust fund is to hold in trust, moneys received from the Private Operator for the purpose of the Peel Health Campus Service Agreement to provide security for claims made in relation to any amount which has become payable by the Private Operator to the State under the Agreement. | | |
| | Balance at the start of period | 21 | 500 |
| | Receipts | - | 1,830 |
| | Payments | (21) | (2,309) |
| | **Balance at the end of period** | - | 21 |
| **Note 47** | **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. | | |
| | Balance at the start of period | - | - |
| | Controlled by Department of Health | | |
| | Receipts: | | |
| | Commonwealth activity based funding for local hospital networks | 1,137,668 | 978,916 |
| | Commonwealth block funding for local hospital networks | 191,172 | 248,583 |
| | Commonwealth public health funding for Department of Health | 35,297 | 32,653 |
| | State activity based funding from Department of Health | 2,014,950 | 2,546,705 |
| | Payments: | | |
| | Commonwealth activity based funding to local hospital networks | (1,137,668) | (978,916) |
| | Commonwealth block funding to State Managed Fund (Health) Account | (191,172) | (248,583) |
| | Commonwealth public health funding to Department of Health | (35,297) | (32,653) |
| | State activity based funding to local hospital networks | (2,014,950) | (2,546,705) |
| | | - | - |
| | Administered by Department of Health | | |
| | Receipts: | | |
| | Commonwealth activity based funding for Mental Health Commission (MHC) | 89,227 | 45,261 |
| | Commonwealth block funding for Mental Health Commission | 65,036 | 92,734 |
| | State activity based funding from Mental Health Commission | 155,102 | 108,224 |
| | Payments: | | |
| | MHC Commonwealth activity based funding to local hospital networks | (89,227) | (45,261) |
| | Commonwealth block funding to Mental Health Commission | (65,036) | (92,734) |
| | MHC State activity based funding to local hospital networks | (155,102) | (108,224) |
| | | - | - |
| | **Balance at the end of period** | - | - |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 47** | **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. | | |
| | Balance at the start of period | - | - |
| | Controlled by Department of Health | | |
| | Receipts: | | |
| | Commonwealth block funding from State Pool Account | 191,172 | 248,583 |
| | State block funding from Department of Health | 486,036 | 811,661 |
| | Royalties for Regions Fund from Department of Health | - | 40,406 |
| | Payments: | | |
| | Commonwealth block funding to local hospital networks | (191,172) | (248,583) |
| | State block funding to local hospital networks | (486,036) | (811,661) |
| | Royalties for Regions Fund to local hospital networks | - | (40,406) |
| | | - | - |
| | Administered by Department of Health | | |
| | Receipts: | | |
| | Mental Health Commission - Commonwealth block funding | 65,036 | 92,734 |
| | Mental Health Commission - State block funding (a) | 112,747 | 202,894 |
| | Payments: | | |
| | Mental Health Commission - Commonwealth block funding to local hospital networks | (65,036) | (92,734) |
| | Mental Health Commission - State block funding to local hospital networks (a) | (112,747) | (202,894) |
| | | - | - |
| | **Balance at the end of period** | - | - |
| | (a) The 2014 amounts exclude State block funding for out of scope services. | | |
| | **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. | | |
| | **Recurrent** | | |
| | Balance at the start of period | 211,027 | 226,402 |
| | Receipts | | |
| | District Medical Workforce Investment | - | - |
| | District Hospital Investment Program | - | - |
| | Telehealth Investment Program | - | - |
| | Payments to WA Country Health Services | | |
| | District Medical Workforce Investment | (20,516) | (11,432) |
| | District Hospital Investment Program | (3,144) | (2,605) |
| | Telehealth Investment Program | (2,010) | (1,338) |
| | Payments to Consolidated Fund | | |
| | Reallocation to the Renal Dialysis Service Expansion Project | (6,990) | - |
| | | 178,367 | 211,027 |
| | **Capital** | | |
| | Balance at the start of period | - | - |
| | Receipts | | |
| | District Hospital Investment Program - Stream 2 | 30,000 | - |
| | Primary Health Centres Demonstration Program - Stream 3 | 6,000 | - |
| | Small Hospital and Nursing Post Refurbishment Program - Stream 4 | 70,000 | - |
| | Payments to WA Country Health Services | | |
| | District Hospital Investment Program - Stream 2 | (4,526) | - |
| | Primary Health Centres Demonstration Program - Stream 3 | (775) | - |
| | Small Hospital and Nursing Post Refurbishment Program - Stream 4 | (5,781) | - |
| | | 94,918 | - |
| | **Balance at the end of period** | **273,285** | **211,027** |

## Department of Health

## NOTES TO THE FINANCIAL STATEMENTS
**For the year ended 30 June 2014**

| | | 2014 $000 | 2013 $000 |
|---|---|---|---|
| **Note 47** | **Special Purpose Accounts (continued)** | | |
| | **Telethon - Perth Children's Hospital Research Fund** (a) | | |
| | The purpose of the special purpose account is to receive funds from the Channel 7 Telethon Trust, the Department of Health and other donors to fund and promote child and adolescent health research in Western Australia. | | |
| | Balance at the start of period | 2,000 | - |
| | Receipts | 3,101 | 2,000 |
| | Payments | (1,065) | - |
| | **Balance at the end of period** | 4,036 | 2,000 |
| | (a) The title of the Special Purpose Account has changed from the 'New Children's Hospital Research Fund' to the 'Perth Children's Hospital Research Fund' during the 2013-14 financial year. | | |
| **Note 48** | **Administered assets and liabilities** | | |
| | Current Assets | | |
| | Cash and cash equivalents | 258,873 | 108,365 |
| | Receivables | - | 6,025 |
| | **Total administered current assets** | 258,873 | 114,390 |
| | Current Liabilities | | |
| | Payables | - | 2,625 |
| | **Total administered current liabilities** | - | 2,625 |
| | 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 48 "Administered assets and liabilities' and note 49 '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 2014**

### Note 49 Disclosure of administered income and expenses by service

| | Public Hospital Admitted Patients | | Home-Based Hospital Programs | | Palliative Care | | Emergency Department | |
|---|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Funding for Capital Works Fund transferred to: | | | | | | | | |
| Metropolitan Health Services | 485,849 | 506,064 | 1,479 | 192 | 1,867 | 77 | 95,665 | 121,336 |
| WA Country Health Service | 55,871 | 65,277 | - | - | 82 | 24 | 17,803 | 17,139 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| Transfer of activity based funding to local hospital networks | - | - | - | - | - | - | - | - |
| Transfer of block funding to local hospital networks | - | - | - | - | - | - | - | - |
| **Total administered expenses** | 541,720 | 571,341 | 1,479 | 192 | 1,949 | 101 | 113,468 | 138,475 |
| **Income** | | | | | | | | |
| Administered for Capital Works Fund: | | | | | | | | |
| Capital appropriations | 512,485 | 543,567 | 1,663 | 144 | 2,635 | 56 | 117,460 | 125,783 |
| Royalties for Regions Fund | 84,480 | 29,819 | - | - | 412 | - | 14,203 | 7,187 |
| Commonwealth grants and contributions | 1,034 | 2,169 | - | - | - | - | 658 | 1,859 |
| Contribution from Department of Health | 11,562 | 2,412 | - | - | - | - | 2,416 | 559 |
| | | | | - | - | | | |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| 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** | 609,561 | 577,967 | 1,663 | 144 | 3,047 | 56 | 134,737 | 135,388 |

## Department of Health

## Notes to the Financial Statements

**For the year ended 30 June 2014**

**Note 49 Disclosure of administered income and expenses by service (continued)**

| | Public Hospital Non-Admitted Patients | | Patient Transport | | Prevention, Promotion & Protection | | Dental Health | |
|---|---|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Funding for Capital Works Fund transferred to: | | | | | | | | |
| Metropolitan Health Services | 64,498 | 59,062 | 7,854 | 1,064 | 15,582 | 37,516 | 683 | 511 |
| WA Country Health Service | 17,945 | 10,018 | 1,037 | 1,463 | 1,503 | 2,042 | - | - |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| Transfer of activity based funding to local hospital networks | - | - | - | - | - | - | - | - |
| Transfer of block funding to local hospital networks | - | - | - | - | - | - | - | - |
| **Total administered expenses** | 82,443 | 69,080 | 8,891 | 2,527 | 17,085 | 39,558 | 683 | 511 |
| **Income** | | | | | | | | |
| Administered for Capital Works Fund: | | | | | | | | |
| Capital appropriations | 76,327 | 60,152 | 12,441 | 884 | 17,742 | 32,150 | 882 | 387 |
| Royalties for Regions Fund | 12,831 | 8,627 | 6,431 | - | 9,803 | - | - | - |
| Commonwealth grants and contributions | - | - | - | - | - | - | - | - |
| Contribution from Department of Health | 1,725 | 280 | 173 | - | 345 | 175 | - | - |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| 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** | 90,883 | 69,059 | 19,045 | 884 | 27,890 | 32,325 | 882 | 387 |

## Notes to the Financial Statements

**For the year ended 30 June 2014**

**Note 49 Disclosure of administered income and expenses by service (continued)**

| | Continuing Care | | Mental Health | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 | 2014 $000 | 2013 $000 |
| **COST OF SERVICES** | | | | | | |
| **Expenses** | | | | | | |
| Funding for Capital Works Fund transferred to: | | | | | | |
| Metropolitan Health Services | 28,804 | 5,830 | 15,785 | 9,413 | 718,066 | 741,065 |
| WA Country Health Service | 4,069 | 1,404 | 1,810 | 1,389 | 100,120 | 98,756 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | |
| Transfer of activity based funding to local hospital networks | - | - | 244,329 | 153,485 | 244,329 | 153,485 |
| Transfer of block funding to local hospital networks | - | - | 177,783 | 295,628 | 177,783 | 295,628 |
| **Total administered expenses** | 32,873 | 7,234 | 439,707 | 459,915 | 1,240,298 | 1,288,934 |
| **Income** | | | | | | |
| Administered for Capital Works Fund: | | | | | | |
| Capital appropriations | 44,131 | 5,428 | 19,441 | 9,521 | 805,207 | 778,072 |
| Royalties for Regions Fund | 10,780 | - | 3,046 | 56 | 141,986 | 45,689 |
| Commonwealth grants and contributions | 166 | - | - | - | 1,858 | 4,028 |
| Contribution from Department of Health | 690 | 35 | 345 | 35 | 17,256 | 3,496 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | |
| Commonwealth activity based funding for MHC | - | - | 89,227 | 45,261 | 89,227 | 45,261 |
| Commonwealth block funding for MHC | - | - | 65,036 | 92,734 | 65,036 | 92,734 |
| State activity based funding from MHC | - | - | 155,102 | 108,224 | 155,102 | 108,224 |
| State block funding from MHC | - | - | 112,747 | 202,894 | 112,747 | 202,894 |
| **Total administered income** | 55,767 | 5,463 | 444,944 | 458,725 | 1,388,419 | 1,280,398 |

## Department of Health

## Notes to the Financial Statements
**For the year ended 30 June 2014**

**Note 50 Financial instruments**

a) **Financial risk management objectives and policies**

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.

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment, as shown in the table at Note 50(c) 'Financial Instruments Disclosures' and Note 23 'Receivables'.

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

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

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating client credit ratings. For financial assets that are either past due or impaired, refer to Note 50(c) 'Financial Instrument Disclosures'.

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 normal course of operations.

The Department has appropriate procedures to manage cash flows including drawdowns 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. All cash and cash equivalents and restricted cash and cash equivalents are non-interest bearing.

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:

| | 2014 $000 | 2013 $000 |
|---|---|---|
| Financial Assets | | |
| Cash and cash equivalents | 26,212 | 10,206 |
| Restricted cash and cash equivalents | 434,600 | 491,917 |
| Loans and receivables (a) | 104,989 | 91,115 |
| | | |
| Financial Liabilities | | |
| Financial liabilities measured at amortised cost | 63,148 | 112,042 |

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

c) **Financial instrument disclosures**

Credit risk

The following table details the Department's maximum exposure to credit risk and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

**Ageing analysis of financial assets**

| | | | Past due but not impaired | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Not past due and not impaired | up to 3 months | 3-12 months | 1-5 years | > 5 years | Impaired financial assets |
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **2014** | | | | | | | |
| Cash and cash equivalents | 26,212 | 26,212 | - | - | - | - | - |
| Restricted cash and cash equivalents | 434,600 | 434,600 | - | - | - | - | - |
| Receivables (a) | 5,074 | 3,537 | 6 | 1,490 | 41 | - | - |
| Finance lease receivable | 957 | 957 | - | - | - | - | - |
| Amounts receivable for services | 98,958 | 98,958 | - | - | - | - | - |
| | 565,801 | 564,264 | 6 | 1,490 | 41 | - | - |
| **2013** | | | | | | | |
| Cash and cash equivalents | 10,206 | 10,206 | - | - | - | - | - |
| Restricted cash and cash equivalents | 491,917 | 491,917 | - | - | - | - | - |
| Receivables (a) | 6,081 | 4,459 | 1,368 | 69 | 183 | 2 | - |
| Amounts receivable for services | 85,034 | 85,034 | - | - | - | - | - |
| | 593,238 | 591,616 | 1,368 | 69 | 183 | 2 | - |

(a) The amount of receivables excludes the GST receivable from the ATO (statutory receivable). Refer to note 23 'Receivables'.

## Department of Health

## Notes to the Financial Statements
**For the year ended 30 June 2014**

c) **Financial instrument disclosures (continued)**

Liquidity risk and interest rate exposure

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

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

| | | | Interest rate exposure | | | | Maturity dates | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Weighted average effective interest rate | Carrying amount | Fixed interest rate | Variable interest rate | Non-interest bearing | Nominal Amount | Up to 3 months | 3 months - 1 year | 1-5 years | More than 5 years |
| | % | $000 | $000 | $000 | $000 | $000 | $000 | $000 | | $000 |
| **2014** | | | | | | | | | | |
| **Financial Assets** | | | | | | | | | | |
| Cash and cash equivalents | | 26,212 | - | - | 26,212 | 26,212 | 26,212 | - | - | - |
| Restricted cash and cash equivalents | | 434,600 | - | - | 434,600 | 434,600 | 434,600 | - | - | - |
| Receivables (a) | | 5,074 | - | - | 5,074 | 5,074 | 5,074 | - | - | - |
| Finance lease receivable | | 957 | - | - | 957 | 957 | - | - | - | 957 |
| Amounts receivable for services | | 98,958 | - | - | 98,958 | 98,958 | - | - | - | 98,958 |
| | | 565,801 | - | - | 565,801 | 565,801 | 465,886 | - | - | 99,915 |
| **Financial Liabilities** | | | | | | | | | | |
| Payables | | 63,148 | - | - | 63,148 | 63,148 | 63,148 | - | - | - |
| Borrowings | | | | | | | | | | |
| - Finance lease liabilities | | - | - | - | - | | - | - | - | - |
| | | 63,148 | - | - | 63,148 | 63,148 | 63,148 | - | - | - |

(a) The amount of receivables excludes the GST receivable from the ATO (statutory receivable). Refer to note 23 'Receivables'.

c) **Financial instrument disclosures (continued)**

Liquidity risk and interest rate exposure (continued)

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

| | | | Interest rate exposure | | | | Maturity dates | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Weighted average effective interest rate | Carrying amount | Fixed interest rate | Variable interest rate | Non-interest bearing | Nominal Amount | Up to 3 months | 3 months - 1 year | 1-5 years | More than 5 years |
| | % | $000 | $000 | $000 | $000 | $000 | $000 | $000 | | $000 |
| **2013** | | | | | | | | | | |
| **Financial Assets** | | | | | | | | | | |
| Cash and cash equivalents | | 10,206 | - | - | 10,206 | 10,206 | 10,206 | - | - | - |
| Restricted cash and cash equivalents | | 491,917 | - | - | 491,917 | 491,917 | 491,917 | - | - | - |
| Receivables (a) | | 6,081 | - | - | 6,081 | 6,081 | 6,081 | - | - | - |
| Amounts receivable for services | | 85,034 | - | - | 85,034 | 85,034 | - | 5,968 | - | 79,066 |
| | | 593,238 | - | - | 593,238 | 593,238 | 508,204 | 5,968 | - | 79,066 |
| **Financial Liabilities** | | | | | | | | | | |
| Payables | | 93,475 | - | - | 93,475 | 93,475 | 93,475 | - | - | - |
| Borrowings | | | | | | | | | | |
| - Finance lease liabilities | 9.2% | 18,567 | 18,567 | - | - | 22,786 | - | 5,024 | 17,762 | - |
| | | 112,042 | 18,567 | - | 93,475 | 116,261 | 93,475 | 5,024 | 17,762 | - |

Fair values
All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

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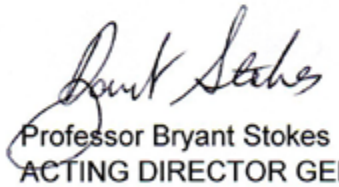
# Certification Statement

**DEPARTMENT OF HEALTH**

**CERTIFICATION OF PERFORMANCE INDICATORS**
**FOR THE YEAR ENDED 30 JUNE 2014**

I hereby certify the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Health and fairly represent the performance of the Department for the financial year ended 30 June 2014.



Professor Bryant Stokes
ACTING DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

16 September 2014

# Key performance indicator index

## Outcome 1

Proportion of privately managed public patients discharged to home

Survival rates for sentinel conditions of privately managed public patients

Unplanned readmission rate for the same or related condition for privately managed public patients

Proportion of people with cancer accessing admitted palliative care services

Response times for patient transport services

Average cost of public admitted patient treatment episodes in private hospitals

Cost per capita of supporting treatment of patients in public hospitals

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

Average cost per client receiving contracted palliative care service

Cost per capita of Royal Flying Doctor Service Western Operations and St John Ambulance Western Australia Service Agreements

## Outcome 2

Loss of life from premature death due to identifiable causes of preventable disease or injury

Percentage of fully immunised children

Rate of hospitalisations for selected potentially preventable diseases

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

Percentage of clients maintaining or improving functional ability while in transition care

Rate per 1,000 HACC target population who receive HACC services

Specific HACC contract provided client satisfaction survey

Cost per capita of providing preventive interventions, health promotion and health protection activities

Average cost per dental service provided by the Oral Health Centre of WA

Average cost per person of HACC services delivered to people with long term disability

Average cost per transition care day

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

# Proportion of privately managed public patients discharged to home

**Outcome 1**
Effectiveness KPI

## Rationale

The main goal of health care provision is to ensure that people receive appropriate evidence based health care without experiencing preventable harm. Forging effective partnerships between consumers, health care providers and organisations is also a goal. Hospitals can better deliver safer and higher quality care, better outcomes for patients and provide a more effective and efficient health system through improvements achieved in these priority areas.

Measuring the number of patients discharged home after hospital care allows for the monitoring of changes over time that can enable the identification of the priority areas for improvement. This enables targeted interventions and health promotion strategies aimed at ensuring restoration of patients' health.

This indicator measures the percentage of public patients discharged to home from the privately managed Joondalup and Peel Health Campuses.

## Target

The 2013 target is ≥98.8 per cent.

The target is based on the best result achieved within the previous five years.

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

## Results

In 2013, a total of 98.8 per cent of public patients were discharged to home from privately managed hospitals. This result is equal to the 2013 target of 98.8 per cent (see Table 7).

Table 7: **Percentage of public patients discharged to home after admitted hospital treatment, by age group, 2009–2013**

| Age group (Years) | Calendar years | | | | |
|---|---|---|---|---|---|
| | 2009 (%) | 2010 (%) | 2011 (%) | 2012 (%) | 2013 (%) |
| 0–39 | 98.9 | 99.1 | 99.0 | 98.8 | **98.9** |
| 40–49 | 98.8 | 98.7 | 98.9 | 98.6 | **99.0** |
| 50–59 | 99.1 | 98.8 | 99.0 | 99.0 | **98.9** |
| 60–69 | 99.0 | 99.3 | 99.1 | 99.2 | **99.2** |
| 70–79 | 98.9 | 99.0 | 98.9 | 98.7 | **98.8** |
| 80+ | 97.4 | 96.8 | 96.5 | 96.9 | **97.1** |
| **All ages** | **98.8** | **98.8** | **98.7** | **98.6** | **98.8** |
| **Target (≥)** | **98.8** | **98.9** | **98.9** | **98.8** | **98.8** |

**Data source/s:** Hospital Morbidity Data System.

# Survival rates for sentinel conditions of privately managed public patients

**Outcome 1**
Effectiveness KPI

## Rationale

Hospital survival indicators should be used as screening tools, rather than being assumed to be definitively diagnostic of poor quality and/or safety.

This indicator measures a hospital's performance in relation to restoring the health of people who have suffered a sentinel condition-specifically a stroke, acute myocardial infarction (AMI), or fractured neck of femur (FNOF). For these conditions, a good recovery is more likely when there is early intervention and appropriate care on presentation to an emergency department and on admission to hospital.

These three conditions have been chosen as they are particularly significant for the health care of the community and are leading causes of death and hospitalisation in Australia.

Patient survival after being admitted for one of these three sentinel conditions can be affected by many factors which include the diagnosis, the treatment given or procedure performed, age, co-morbidities at the time of the admission and complications which may have developed while in hospital.

## Target

The 2013 target for each condition:

| Sentinel condition | Target |
|---|---|
| Stroke | ≥85.1% |
| AMI | ≥98.1% |
| FNOF | ≥98.7% |

The target is based on the best result achieved within the previous five years. If a result of 100 per cent is obtained, the next best result is adopted to address the issue of small numbers.

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

## Results

In 2013, the percentage of people who had a stroke and were restored to health was 86.8 per cent. This result exceeded the target of 85.1 per cent. The survival rate for patients who had an acute myocardial infarction or a fractured neck of femur was 95.7 per cent and 94.8 per cent respectively, and both were below the target (see Table 8).

Table 8: **Survival rates for sentinel conditions, 2009–2013**

| Sentinel condition | 2009 (%) | 2010 (%) | 2011 (%) | 2012 (%) | 2013 (%) | Target (%) |
|---|---|---|---|---|---|---|
| **Stroke** | 84.0 | 85.1 | 83.2 | 79.5 | **86.8** | **≥85.1** |
| **AMI** | 93.7 | 98.1 | 95.6 | 97.3 | **95.7** | **≥98.1** |
| **FNOF** | 98.7 | 95.6 | 98.2 | 93.2 | **94.8** | **≥98.7** |

**Data source/s:** Hospital Morbidity Data System.

# Unplanned readmission rate for the same or related condition for privately managed public patients

**Outcome 1**
Effectiveness KPI

## Rationale

Readmission rate is considered a global performance measure, as it potentially points to deficiencies in the functioning of the overall health care system. Good intervention and appropriate treatment, together with good discharge planning will decrease the likelihood of unplanned hospital readmissions. A low unplanned readmission rate suggests that good clinical practice is in operation. These readmissions necessitate patients spending additional periods of time in hospital as well as utilising additional hospital resources. Some conditions may require numerous admissions to enable the best level of care to be given and in most of these cases hospital readmission is planned.

Through measuring and monitoring this indicator, the level of potentially avoidable hospital readmissions can be assessed in order to identify key areas of improvement. This can then facilitate the development and delivery of targeted care pathways and interventions, which can aid in ensuring effective restoration to health and improve the quality of life of Western Australians.

For this indicator a sample period of three months is used, and relevant data is subjected to clinical review to ensure the accuracy of the readmission status – unplanned or otherwise.

## Target

The 2013 target is ≤0.3 per cent.

The target is based on the best result recorded within the previous five years where the result is greater than zero.

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

## Results

In 2013, the percentage of unplanned readmissions within 28 days was 1.2 per cent, this was in excess of the target of less than or equal to 0.3 per cent (see Table 9).

Table 9: **Percentage of unplanned readmissions within 28 days to the same hospital for which they were treated, 2009–2013**

| | 2009 (%) | 2010 (%) | 2011 (%) | 2012 (%) | 2013 (%) |
|---|---|---|---|---|---|
| **Unplanned readmissions** | 0.3% | 0.5% | 1.6% | 0.9% | **1.2%** |
| **Target** | ≤2.3% | ≤2.3% | ≤2.3% | ≤0.9% | **≤0.3%** |

**Notes:**
1. Results represent data for a 3 month period each year. For 2013 data is reported from 1 September – 30 November.
2. Fluctuations in performance are a result of relatively small population numbers, which can result in small changes in activity having a disproportionate influence on the overall performance.

**Data source/s:** Hospital Morbidity Data System, Department of Health unpublished data.

# Proportion of people with cancer accessing admitted palliative care services

**Outcome 1**
Effectiveness KPI

## Rationale

The World Health Organization defines palliative care as care that improves the quality of life of patients and families who face life-threatening illness, by providing pain and symptom relief, spiritual and psychosocial support from diagnosis to the end of life and bereavement.

Effective palliative care requires a broad multidisciplinary approach and may be provided in hospital or at home. Hospital based palliative care services aim to improve the quality of life of patients and families through the provision of symptom management, respite care and terminal care.

Cancer is a leading cause of death in Australia and accounts for about three in 10 deaths. Therefore, it is critical that effective palliative care services are available to these terminally ill cancer patients and their families.

Monitoring this indicator's changes over time can facilitate the identification of the demand for palliative care services by terminally ill cancer patients in the hospital, which can enable the development of evidence-based programs and management strategies. This will ensure accessible and effective palliative care services for Western Australians.

## Target

The 2012 target is 49.1 per cent.

The target is based on the average of the previous five years.

## Results

In 2012, the proportion of people terminally ill with cancer accessing admitted palliative care services was 52.7 per cent, slightly above the target of 49.1 per cent (see Table 10).

Table 10: **Percentage of people with cancer accessing admitted palliative care services, 2008–2012**

| | 2008 | 2009 | 2010 | 2011 | 2012 | Target |
|---|---|---|---|---|---|---|
| **Percentage of patients (%)** | 52.1 | 47.5 | 44.8 | 48.8 | 52.7 | **49.1** |

**Note:** The KPI title specifies "proportion of people with cancer accessing palliative care services", indicating patient numbers, rather than admissions, and specifically cancer patients.
**Data source/s:** WA Cancer Registry, Hospital Morbidity Data System.

# Response times for patient transport services

**Outcome 1**
Effectiveness KPI

## Rationale

To ensure Western Australians receive the care they need, when they need it, strong partnerships have been forged within the health care community through collaboration between St John Ambulance Western Australia Ltd, the Royal Flying Doctor Service and the Western Australian Department of Health. This collaboration ensures that patients have access to an effective ambulance and Royal Flying Doctor Service to ensure the best possible health outcomes for patients requiring urgent medical treatment through rapid response.

Response times for patient transport services have a direct impact on the speed with which a patient receives appropriate medical care and provide a good indication of the efficiency and effectiveness of patient transport services. It is believed that adverse effects on patients and the community are reduced if response times are reduced.

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

## Target

St Johns Ambulance Western Australia Ltd:

- Attend 90 per cent of Priority 1 calls within 15 minutes in the metropolitan area.

Royal Flying Doctors Service:

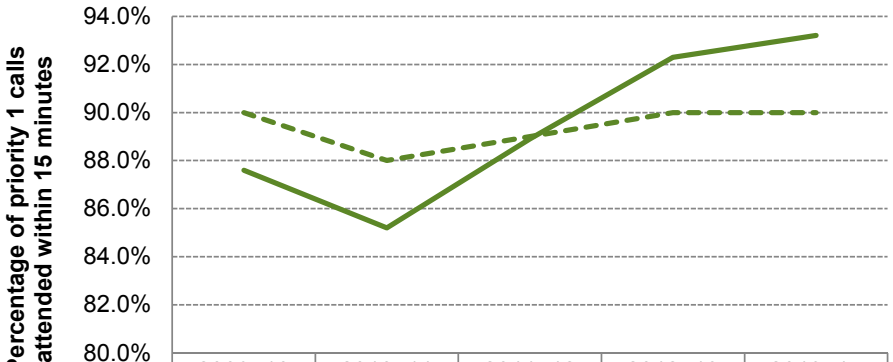
- 80 per cent of inter-hospital transfers (excluding regional resource centres) meeting the Target Contract Patient Response Time.

## Results

**a) Percentage of priority 1 calls attended to within 15 minutes in the metropolitan area by St John Ambulance Australia – WA**

In 2013–14, St John Ambulance Australia – WA exceeded the year's target of 90 per cent by attending to 93.2 per cent of priority 1 calls within 15 minutes (see Figure 9).

Figure 9: **Percentage of priority 1 calls attended within 15 minutes in the metropolitan area by St John Ambulance Australia – WA, 2009–10 to 2012–13**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Results | 87.6% | 85.2% | 88.9% | 92.3% | 93.2% |
| Target | 90.0% | 88.0% | 89.0% | 90.0% | 90.0% |

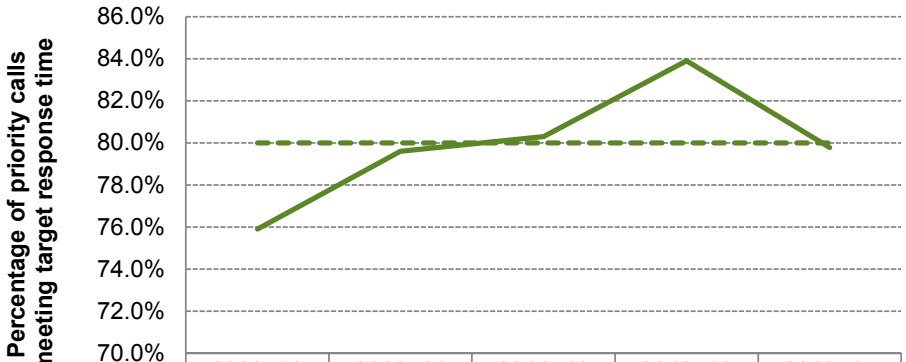
**Data source/s:** Department of Health unpublished data.

**b) Percentage of Royal Flying Doctor Service inter-hospital transfers meeting the contract target response time within each agreed geographical area of patient origin for priority 1 calls**

## Results

The Royal Flying Doctor Service achieved 79.8 per cent of inter-hospital transfers within the target response time. This falls slightly short of the target of 80 per cent (see Figure 10).

Figure 10: **Percentage of Royal Flying Doctor Service inter-hospital transfers meeting the contract target response time within each agreed geographical area of patient origin for Priority 1 calls, 2009–10 to 2012–13**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Results | 75.9% | 79.6% | 80.3% | 83.9% | 79.8% |
| Target | 80.0% | 80.0% | 80.0% | 80.0% | 80.0% |

**Data source/s:** Department of Health unpublished data.

# Average cost of public admitted patient treatment episodes in private hospitals

**Outcome 1**
Efficiency KPI
Service 1: Public hospital admitted patients

## Rationale

Western Australia's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians, it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

To ensure all Western Australia's have timely access to effective health care, the Government has entered into collaborative agreement with private sector health providers in the State to deliver hospital services to the community.

### Target

A target unit cost of $2,927 was set in the 2013–14 State Government Budget Statements.

## Results

In 2013–14, the average cost of public admitted patient treatment episodes in private hospitals was $2,785 below the target of $2,927 (see Figure 11).

Figure 11: **Average cost of public admitted patient treatment episodes in private hospitals, 2009–10 to 2013–14**


| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|---|
| Unit Cost | $2,435 | $2,676 | $2,845 | $3,137 | $2,785 |
| Target | $2,405 | $2,675 | $2,966 | $3,180 | $2,927 |

**Note:** Contract management changes occurred effective 1 January 2014 for some contributory sites. These will now be reported in the Metropolitan Health Service Annual Report.
**Data source/s:** Department of Health unpublished data.

# Cost per capita of supporting treatment of patients in public hospitals

**Outcome 1**
Efficiency KPI
Service 1: Public hospital admitted patients

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

This indicator is a measure of the cost of providing care in hospital to patients by the number of people who reside in WA. It accounts for specific expenses contributing to hospital services, including, improving clinical practice and medical workforce via the development and implementation of policies and models of care.

## Target

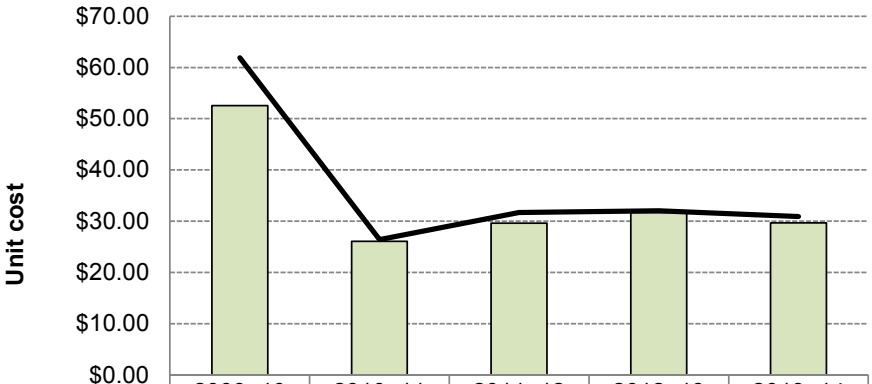
A target unit cost of $30.92 was set in the 2013–14 Government Budget Statements.

A result below the target was desirable.

## Results

In 2013–14, the cost per capita of supporting treatment of patients in public hospitals was $29.68, below the target of $30.92 (see Figure 12).

Figure 12: **Cost per capita of supporting treatment of patients in public hospitals, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Unit Cost | $52.56 | $26.09 | $29.59 | $31.71 | $29.68 |
| Target | $61.89 | $26.43 | $31.72 | $32.06 | $30.92 |

**Note:** The total population used in the calculation of this KPI is based on the Australian Bureau of Statistics Estimated Resident Population for 2011 for areas defined by the Australian Standard Geographical Classification. The Australian Bureau of Statistics has changed its geographical boundaries and WA Health is currently updating their processes for estimating and projecting populations based on the reclassification of Australian Bureau of Statistics geographical boundaries.
**Data source/s:** Department of Health unpublished data.

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

**Outcome 1**
Efficiency KPI
Service 2: Home-based hospital programs

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

Home Based Hospital Programs have been implemented as a means of ensuring all Western Australia's have timely access to effective health care. These programs aim to provide safe and effective medical care for patients in their home that would otherwise require a hospital admission. In addition to the Home Based Hospital Programs that are delivered by the public health system, the WA Government has entered a collaborative agreement with the non-government sector to provide these programs for suitable patients. The home based hospital service may be delivered as in-home admitted acute medical care, measured by days of care, or as post-discharge or sub-acute medical intervention, delivered as occasions of service.

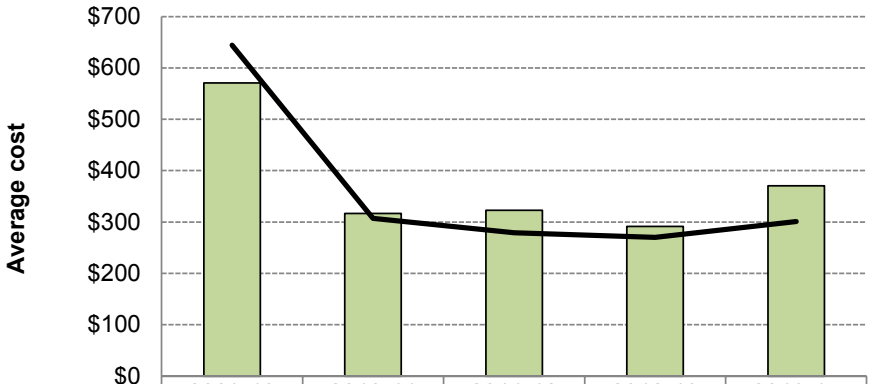
## Target

Target unit costs of $301 and $118 was set in the 2013–14 State Government Budget Statements for home based hospital day of care and occasion of service respectively.

## Results

In 2013–14, the average cost per home based hospital day of care was $371, above the target of $301 (see Figure 13).

Figure 13: **Average cost per home based hospital day of care, 2010–11 to 2013–14**




| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|---|
| Ave cost | $571 | $317 | $323 | $291 | $371 |
| Target | $644 | $307 | $279 | $270 | $301 |

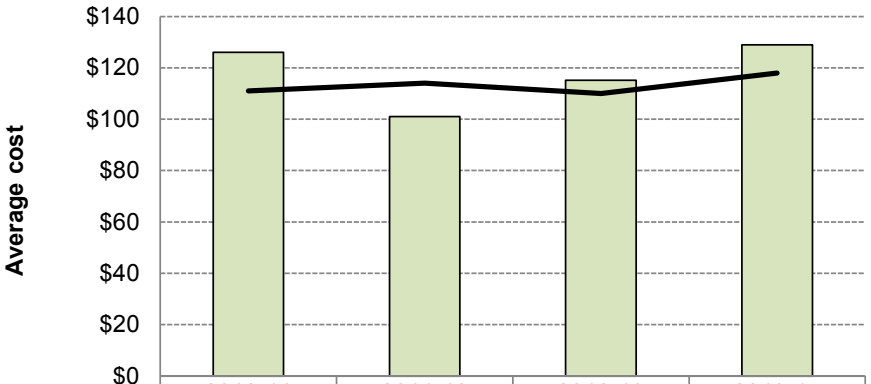
**Notes:**
1. Costs are based on a contractual agreement between Department of Health and the service provider. A decrease in the activity will result in a higher than average cost.
2. Recommendations in 2010–11 resulted in separate reporting for different service components contributing to this program. This resulted in a significant difference for cost per day care between 2010–11 and prior years.

**Data source/s:** Department of Health unpublished data.

## Results

The average cost per home based hospital occasion of service was $129 slightly above the target of $118 (see Figure 14).

Figure 14: **Average cost per home based hospital occasion of service, 2010–11 to 2013–14**




| | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|
| Ave cost | $126 | $101 | $115 | $129 |
| Target | $111 | $114 | $110 | $118 |

**Notes:**
1. Costs are based on a contractual agreement between Department of Health and the service provider. A decrease in the activity will result in a higher than average cost.
2. Recommendations in 2010–11 resulted in separate reporting for different service components contributing to this program. This resulted in a significant difference for cost per day care between 2010–11 and prior years.

**Data source/s:** Department of Health unpublished data.

# Average cost per client receiving contracted palliative care services

**Outcome 1**
Efficiency KPI
Service 2:
Palliative care

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

Palliative care is aimed at improving the quality of life of patients and families who face life-threatening illness, by providing pain and symptom relief, spiritual and psychosocial support from diagnosis to the end of life and bereavement. In addition to palliative care services that are provided through the public health system, the WA Government has entered into collaborative agreement with private sector health providers to provide palliative care services for those in need.

## Target

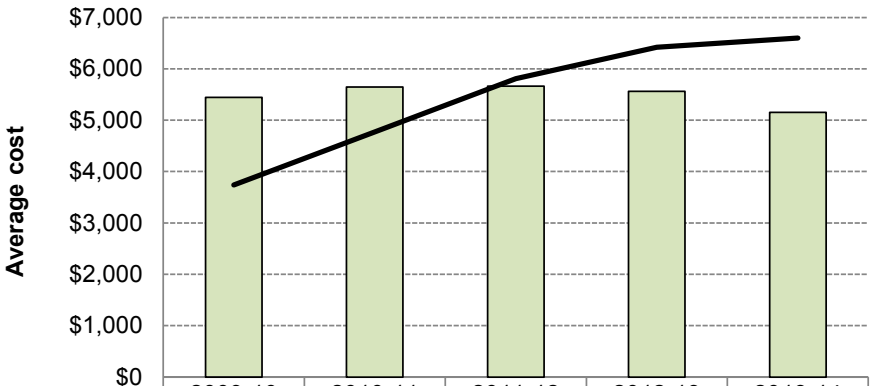
A target unit cost of $6,599 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

The average cost per client receiving contracted palliative care services for 2013–14 was $5,153; under the target of $6,599 (see Figure 15).

Figure 15: **Average cost per client receiving contracted palliative care services, 2009–10 to 2013–14**




| | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|---|
| Ave cost | $5,444 | $5,648 | $5,663 | $5,560 | $5,153 |
| Target | $3,739 | $4,771 | $5,810 | $6,423 | $6,599 |

**Note:** Contract management changes occurred effective 1 January 2014 for some contributory sites. These sites will now reported in the Metropolitan Health Service Annual Report.
**Data source/s:** Department of Health unpublished data.

# Cost per capita of Royal Flying Doctor Service Western Operations and St John Ambulance Western Australia service agreements

**Outcome 1**
Efficiency KPI
Service 6:
Patient transport

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

To ensure Western Australians receive the care they need, when they need it, strong partnerships have been forged within the health care community through collaborative agreements with St John Ambulance Australia Western Australia Ltd Ambulance Service, the Royal Flying Doctor Service and the Western Australian Department of Health. This collaboration ensures that patients have access to an effective ambulance and Royal Flying Doctor Service service that aims to ensure the best possible health outcomes for patients requiring urgent medical treatment.

## Target

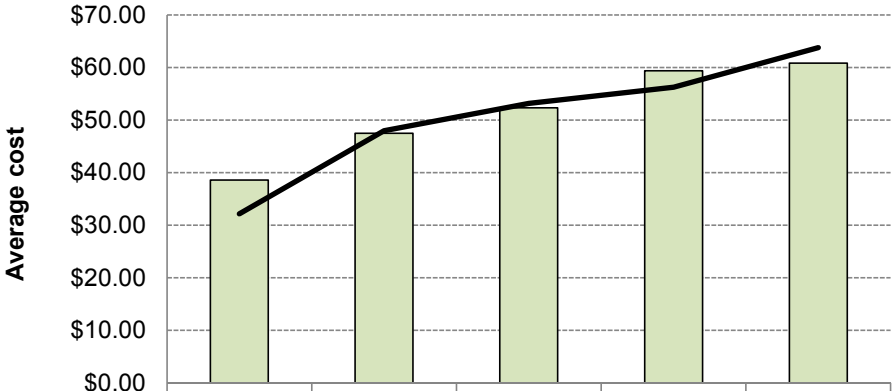
A target unit cost of $63.75 was set in the 2013–14 State Government Budget Statements.

A result below the target was desirable.

## Results

The cost per capita of Royal Flying Doctor Service Western Operations and St John Ambulance Australia Western Australia Service Agreements was $65.25 in 2013–14; above the target of $63.75 (see Figure 16).

Figure 16: **Cost per capita of Royal Flying Doctors Service Western Operations and St John Ambulance Australia (WA) – WA Ambulance service agreements, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Ave cost | $38.59 | $47.47 | $52.32 | $59.38 | $60.83 |
| Target | $32.15 | $47.94 | $53.16 | $56.23 | $63.75 |

**Note:** The total population used in the calculation of this KPI is based on the Australian Bureau of Statistics Estimated Resident Population for 2011 for areas defined by the Australian Standard Geographical Classification. The Australian Bureau of Statistics has changed its geographical boundaries and WA Health is currently updating their processes for estimating and projecting populations based on the reclassification of Australian Bureau of Statistics geographical boundaries.
**Data source/s:** Department of Health unpublished data.

# Loss of life from premature death due to identifiable causes of preventable disease or injury

**Outcome 2**
Effectiveness KPI

## Rationale

Loss of life from preventable disease or injury refers to premature deaths from conditions considered to be potentially avoidable through the application of existing public health or medical interventions. These are unnecessary, untimely deaths.

Measuring potential years of life lost and the cause of these premature deaths is one of the most important means of monitoring and evaluating the effectiveness, quality and productivity of health systems.

The potential years of life lost from premature death are measured for specified conditions, which include falls, ischaemic heart disease, melanoma and lung 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 can assist health system managers to best determine targeted promotion and prevention initiatives, such as the WA Health Promotion Strategic Framework 2012–2016, that are required in order to reduce the loss of life from these preventable conditions by improving the effectiveness and quality of health care delivery.

## Target

The 2012 target by preventable disease:

| Preventable disease | Target (in years) |
|---|---|
| Lung cancer | 1.9 |
| Ischaemic heart disease | 2.7 |
| Falls | 0.2 |
| Melanoma | 0.5 |

## Results

In 2012, the potential number of years of life lost from premature death caused by lung cancer increased slightly from 2011, but remained below the target of 1.9.

The potential number of years of life lost from premature death caused by ischaemic heart disease, continued to improve from the previous years, with the 2012 performance below the target of 2.7.

For the potential number of years of life lost from premature death caused by either falls or melanoma, the 2012 performance remained unchanged from 2011, with performance marginally higher than the targets (see Table 11).

Table 11: **Person years of life lost due to premature death associated with preventable conditions, 2003–2012**

| Condition | Calendar years | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Target |
| **Lung cancer** | 2.2 | 1.9 | 1.9 | 1.9 | 1.9 | 1.7 | 2.0 | 1.6 | 1.6 | **1.7** | **1.9** |
| **Ischaemic heart disease** | 3.0 | 3.1 | 3.2 | 3.3 | 3.4 | 3.1 | 3.2 | 2.8 | 2.7 | **2.3** | **2.7** |
| **Falls** | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.2 | 0.3 | **0.3** | **0.2** |
| **Melanoma** | 0.5 | 0.8 | 0.7 | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | **0.6** | **0.5** |

**Notes:**
1. Age-standardised PYLLs per 1,000 population.
2. The 2012 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.

**Data source/s:** Mortality database, Epidemiology Branch, Department of Health, Australia Bureau of Statistics.

# Percentage of fully immunised children

**Outcome 2**
Effectiveness KPI

## Rationale

In accordance with the National Partnership Agreement on Essential Vaccines, WA Health aims to minimise the incidence of major vaccine preventable diseases in Australia.

Immunisation is a simple, safe and effective way of protecting people against harmful diseases before they come into contact with them in the community. Immunisation not only protects individuals, but also others in the community, by reducing the spread of disease. Without access to immunisation, the consequences of any illness or disability are likely to be more disabling and more likely to contribute to a premature death.

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

## Target

The agreed target in the National Childhood Immunisation Program is >90 per cent of children fully immunised at 12 months, two years and five years of age.

## Results

In 2013, at a State level, the percentage of fully immunised children for all age categories met or exceeded the target, with the exception of Aboriginal babies at 12 months of age and non-Aboriginal children at five years of age. Within the metropolitan area only non-Aboriginal babies at 12 months and 2 years of age met or exceed the target. In country WA, the percentage of fully immunised babies and children, for all age categories, reached the target with the exception of Aboriginal babies at 12 months of age. Despite targeted immunisation programs Aboriginal children continue to have lower rates of immunisation coverage than non Aboriginal children in Australia at 12 months. This difference in rates has always been more significant in the metropolitan area of Perth, with rates for 2013–14 similar to previous years. WA Health is actively addressing this issue, including the development of a recall program targeting Aboriginal children in the Perth metropolitan area who are overdue for their vaccination (see Table 12).

Table 12: **Percentage of children fully immunised, by selected age cohort, by Aboriginality, 2009–2013**

| Annual reporting period | | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| **12 months (%)** | | | | | | |
| **State** | Aboriginal | 74.7 | 81.3 | 81.1 | 79.1 | **82.5** |
| | Non-Aboriginal | 90.1 | 90.8 | 90.6 | 91.3 | **90.3** |
| **Metropolitan** | Aboriginal | 64.6 | 75.1 | 82.4 | 73.3 | **75.7** |
| | Non-Aboriginal | 90.2 | 90.8 | 90.3 | 91.0 | **90.2** |
| **Country** | Aboriginal | 80.4 | 85.4 | 86.1 | 82.8 | **87.0** |
| | Non-Aboriginal | 90.0 | 90.7 | 91.4 | 92.4 | **91.1** |
| **2 years (%)** | | | | | | |
| **State** | Aboriginal | 81.6 | 84.0 | 91.2 | 92.7 | **90.4** |
| | Non-Aboriginal | 90.4 | 90.2 | 90.7 | 90.3 | **90.7** |
| **Metropolitan** | Aboriginal | 67.9 | 74.6 | 74.1 | 89.1 | **85.7** |
| | Non-Aboriginal | 90.3 | 90.1 | 90.3 | 89.7 | **90.2** |
| **Country** | Aboriginal | 81.5 | 84.8 | 93.4 | 94.8 | **93.6** |
| | Non-Aboriginal | 90.9 | 90.7 | 92.2 | 92.4 | **92.9** |
| **5 years (%)** | | | | | | |
| **State** | Aboriginal | 74.3 | 81.4 | 81.6 | 90.5 | **90.3** |
| | Non-Aboriginal | 82.8 | 86.0 | 87.5 | 89.2 | **89.6** |
| **Metropolitan** | Aboriginal | 67.9 | 74.6 | 74.1 | 86.6 | **84.6** |
| | Non-Aboriginal | 82.4 | 85.4 | 87.0 | 88.7 | **89.0** |
| **Country** | Aboriginal | 78.8 | 85.9 | 87.2 | 93.0 | **94.1** |
| | Non-Aboriginal | 84.2 | 87.9 | 89.5 | 91.2 | **91.6** |

**Note:** Data based on children aged 12–15 months, 24–27 months and 60–63 months between October and December 2013.
**Data source/s:** Australian Childhood Immunisation Register.

# Rate of hospitalisations for selected potentially preventable diseases

**Outcome 2**
Effectiveness KPI

## Rationale

In accordance with the National Partnership Agreement on Essential Vaccines, WA Health aims to minimise the incidence of major vaccine preventable diseases in Australia.

Immunisation is a simple, safe and effective way of protecting people against preventable disease 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 and likelihood of hospitalisation.

The hospitalisations for vaccine preventable diseases amongst children are measured for specified infectious conditions that include measles, mumps, pertussis, hepatitis B and tetanus, which form part of the National Immunisation Program and can pose a significant burden on health care in Australia.

The surveillance of hospitalisations for vaccine preventable conditions amongst children can support the further development and delivery of targeted health promotion initiatives and prevention strategies, such as the *Western Australian Immunisation Strategy 2013–15*, that aims to reduce the impact of these conditions on individuals and the community. This ensures enhanced health and well-being of Western Australians, while supporting the sustainability of the public health system.

## Target

The target for 2013 is no reported hospitalisation in any category.

## Results

In 2013, rates of WA hospitalisation for Aboriginals and non-Aboriginals aged 0–12 years for pertussis were 23.0 per 100,000 and 9.3 per 100,000, respectively. Since 2008 and despite high childhood vaccination coverage, increased rates of pertussis experienced in Australia, including WA, are thought to be associated with increased and improved testing, and waning immunity of individuals. Aboriginal people experience a greater burden of most infectious diseases relative to non-Aboriginal people.

In 2013 the rate of hospitalisation for non-Aboriginals aged 0–12 years in country WA was 1.2 per 100,000. Higher rates of hospitalisation for the same condition were also found among Aboriginal children in rural WA 7.3 per 100,000 (see Table 13).

The rate for hospitalisation for mumps for non-Aboriginals aged 0–17 years in country WA was 0.9 per 100,000. There were no reported cases of hospitalisation for measles in 0–17 years old in WA.

Table 13: **Rate of hospitalisation for potentially preventable diseases (per 100,000), 2009–2013**

| Annual reporting period | | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|
| **Whooping cough (Pertussis): 0–12 year olds** | | | | | | |
| **State** | Aboriginal | 66.76 | 17.95 | 86.16 | 59.63 | **23.0** |
| | Non-Aboriginal | 6.30 | 10.00 | 19.33 | 14.76 | **9.3** |
| **Metropolitan** | Aboriginal | 70.38 | 35.73 | 145.12 | 63.00 | **24.8** |
| | Non-Aboriginal | 6.68 | 6.94 | 17.28 | 15.49 | **8.6** |
| **Country** | Aboriginal | 64.64 | 0.07 | 50.79 | 57.71 | **21.9** |
| | Non-Aboriginal | 5.02 | 0.20 | 26.47 | 12.15 | **12.1** |
| **Measles: 0–17 year olds** | | | | | | |
| **State** | Aboriginal | 0.00 | 3.25 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.00 | 0.00 | 0.18 | 0.00 | **0.0** |
| **Metropolitan** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| **Country** | Aboriginal | 0.00 | 0.05 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.00 | 0.00 | 0.76 | 0.00 | **0.0** |
| **Mumps: 0–17 year olds** | | | | | | |
| **State** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.41 | 0.86 | 0.00 | 0.19 | **0.2** |
| **Metropolitan** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.26 | 0.26 | 0.00 | 0.24 | **0.0** |
| **Country** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.92 | 0.00 | 0.00 | 0.00 | **0.9** |
| **Hepatitis B: 0–12 year olds** | | | | | | |
| **State** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **4.6** |
| | Non-Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.3** |
| **Metropolitan** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| | Non-Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **0.0** |
| **Country** | Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **7.3** |
| | Non-Aboriginal | 0.00 | 0.00 | 0.00 | 0.00 | **1.2** |

**Notes:**
1. The total population used in the calculation of this KPI is based on the Australian Bureau of Statistics Estimated Resident Population for 2011 for areas defined by the Australian Standard Geographical Classification. The Australian Bureau of Statistics has changed its geographical boundaries and WA Health is currently updating their processes for estimating and projecting populations based on the reclassification of Australian Bureau of Statistics geographical boundaries.
2. Due to the low number of cases within some age categories, care should be taken when considering fluctuations in results.

**Data source/s:** Hospital Morbidity Data System, Australian Bureau of Statistics.

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

**Outcome 2**
Effectiveness KPI

## Rationale

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

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

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

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

## Target

The 2013–14 targets are:

| Dental speciality | Number |
|---|---|
| General practice | 1,541 |
| Oral surgery | 2,116 |
| Orthodontics | 2,429 |
| Paedodontics | 670 |
| Periodontics | 604 |
| Other | 790 |

## Results

In 2013–14, the number of eligible patients receiving treatment through the Oral Health Centre of Western Australia exceeded the targets in all area except general dental, orthodontics and periodontics.

The introduction of the new Doctor of Dental Medicine course at the School of Dentistry in 2013 has led to the number of patients who received treatment in 2013–14 to increase (see Table 14).

Table 14: **Number of eligible patients on the Oral Health Centre of Western Australia dental waiting list who received treatment in the financial year, 2009–10 to 2013–14**

| Dental speciality | Year | | | | | |
|---|---|---|---|---|---|---|
| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 | Target |
| **General practice** | 1,399 | 2,859 | 1,598 | 2,659 | **1,264** | **1,541** |
| **Oral Surgery** | 2,116 | 1,582 | 2,646 | 1,343 | **2,544** | **2,116** |
| **Orthodontics** | 2,429 | 3,133 | 2,759 | 2,801 | **2,076** | **2,429** |
| **Paedodontics** | 784 | 790 | 643 | 930 | **781** | **670** |
| **Periodontics** | 1,079 | 872 | 302 | 968 | **534** | **604** |
| **Other** | 1,121 | 1,058 | 1,656 | 1,293 | **1,200** | **790** |
| **Total** | 8,928 | 10,294 | 9,604 | 9,994 | **8,399** | **8,150** |

**Note:** 'Other' includes the specialities of Endodontics, Oral Pathology, Restorative Care and Temporomandibular Joint. Activity increased with improved efficiencies and the availability of specialist dentists.
**Data source/s:** Oral Health Centre of Western Australia.

# Percentage of clients maintaining or improving functional ability while in transition care

**Outcome 2**
Effectiveness KPI

## Rationale

The Transition Care Program is a joint Australian and 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.

This 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.

The effectiveness of a Transition Care program can be assessed by measuring functional ability improvements in clients utilising the Transition Care 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 elderly Western Australians.

## Target

The 2013–14 target for the percentage of clients maintaining or improving functional ability is 65 per cent.

## Results

In 2013–14, the percentage of clients maintaining or improving functional ability while in transitional care was 68 per cent, higher than the target of 65 per cent (see Table 15).

Table 15: **Percentage of clients maintaining or improving functional ability while in transition care, 2009–10 to 2013–14**

| Indicator | 2009–10 (%) | 2010–11 (%) | 2011–12 (%) | 2012–13 (%) | 2013–14 (%) |
|---|---|---|---|---|---|
| **Clients maintaining or improving functional ability** | 68 | 65 | 67 | 69 | **68** |
| **Target** | 65 | 65 | 65 | 65 | **65** |

**Data source/s:** Aged and Continuing Care Directorate, Department of Health unpublished data.

# Rate per 1000 Home and Community Care target population who receive Home and Community Care services

**Outcome 2**
Effectiveness KPI

## Rationale

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

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

## Target

For 2013–14, the target is 347 per 1,000 home and community care target population.

## Results

In 2013–14, the rate per 1,000 target population receiving home and community care service was 362 (see Table 16).

Table 16: **Rate per 1,000 home and community care target population receiving home and community care (HACC) services, 2009–10 to 2013–14**

| Indicator | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| **HACC target population (per 1,000)** | 342 | 352 | 371 | 368 | **362** |
| **Target (per 1,000)** | | | | | **347** |

**Notes:**

1. The total population used in the calculation of this KPI is based on the Australian Bureau of Statistics Estimated Resident Population for 2011 for areas defined by the Australian Standard Geographical Classification. The Australian Bureau of Statistics has changed its geographical boundaries and WA Health is currently updating their processes for estimating and projecting populations based on the reclassification of Australian Bureau of Statistics geographical boundaries.
2. Since targets were set a new methodology for calculating HACC rate per 1,000 has been developed and applied. The new methodology is aligned to the methodology applied for Commonwealth rate of HAAC. Previously reported results, no longer considered appropriate, are as follows.

| | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|
| Results (%) | 317 | 361 | 378 | 338 |
| Target (%) | 342 | 325 | 336 | 327 |

**Data source/s:** Home and Community Care Minimum Data Set Database, Australian Bureau of Statistics 2009 Survey of Disability Aging and Continuing Carers.

# Specific Home and Community Care contract provider client satisfaction survey

**Outcome 2**
Effectiveness KPI

## Rationale

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

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

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

## Target

The targets for 2013–14 are:

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

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

## Results

The 2013–14 *Home and Community Care Quality of Life Survey* was conducted in May 2014. This survey contacted 1,209 clients of which 1,056 were surveyed, resulting in a 87.3 per cent participation rate.

Results demonstrated that 89.0 per cent of respondents believed that the Home and Community Care Program helped them to be independent, and 93.9 per cent believed that it improved their quality of life. These results were above the target of 85.0 per cent for both categories (see Table 17).

Table 17: **Home and Community Care Client Quality of Life Survey results, 2009–10 to 2013–14**

| | 2009–10 (%) | 2010–11 (%) | 2011–12 (%) | 2012–13 (%) | 2013–14 (%) | Target (%) |
|---|---|---|---|---|---|---|
| **Percentage of home and community care program clients believe it helps them to become independent** | 71.3 | 95.3 | 92.8 | 88.0 | **89.0** | **85.0** |
| **Percentage of home and community care program clients that believe the Home and Community Care Program improves the quality of life** | 88.4 | 96.4 | 94.8 | 92.5 | **93.9** | **85.0** |

**Note:** Results exclude clients who chose not to answer that particular question, or who felt the service/s they received from the Home and Community Care Program were not applicable to the question.
**Data source/s:** The University of Western Australia Aged Care Research and Evaluation Unit and Home and Community Carer Quality of Life survey.

# Cost per capita of providing preventive interventions, health promotion and health protection activities

**Outcome 2**
Efficiency KPI
Service 7: Prevention, promotion and protection

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the 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, disability and injury within the community, fostering the ongoing health and wellbeing of Western Australians.

## Target

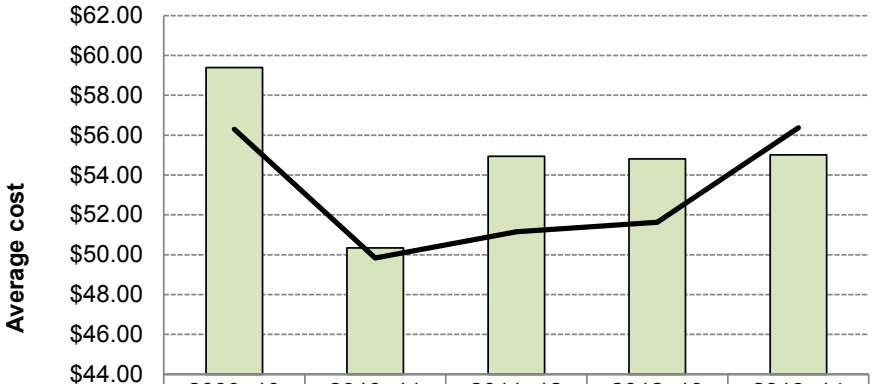
A target unit cost of $56.37 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

In 2013–14, the cost per capita of providing preventative interventions, health promotion and health protection activities was $55.01; below the target of $56.37 (see Figure 17).

Figure 17: **Cost per capita of providing preventive interventions, health promotion and health protection activities, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Ave cost | $59.40 | $50.34 | $54.94 | $54.81 | $55.01 |
| Target | $56.30 | $49.84 | $51.16 | $51.63 | $56.37 |

**Note:** The total population used in the calculation of this KPI is based on the Australian Bureau of Statistics Estimated Resident Population for 2011 for areas defined by the Australian Standard Geographical Classification. The Australian Bureau of Statistics has changed its geographical boundaries and WA Health is currently updating their processes for estimating and projecting populations based on the reclassification of Australian Bureau of Statistics geographical boundaries.
**Data source/s:** Department of Health unpublished data, Australian Bureau of Statistics, Oracle Financial Systems.

# Average cost per dental service provided by the Oral Health Centre of WA

**Outcome 2**
Efficiency KPI
Service 8:
Dental health

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

Specialised oral treatment services are provided through State Government subsidised dental care for Health Care Card Holders and general dental care to eligible patients within their local catchment area through a collaborative agreement with the Oral Health Centre of Western Australia.

## Target

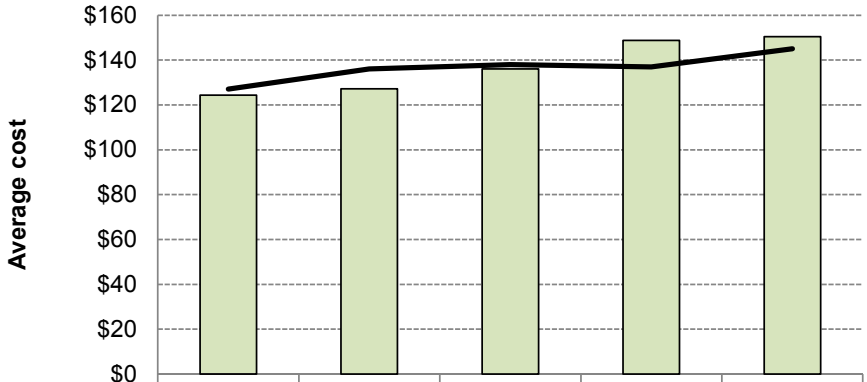
A target unit cost of $145 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

In 2013–14, the average cost per dental service provided by the Oral Health Centre of Western Australia was $150. This was above the target cost of $145 (see Figure 18).

Figure 18: **Average cost per dental service provided by the Oral Health Centre of Western Australia, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Ave cost | $124 | $127 | $136 | $149 | $150 |
| Target | $127 | $136 | $138 | $137 | $145 |

**Data source/s:** Department of Health unpublished data, Oral Health Centre WA, Oracle Financial Systems.

# Average cost per person of Home and Community Care services delivered to people with long term disability

**Outcome 2**
Efficiency KPI
Service 9:
Continuing care

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

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

## Target

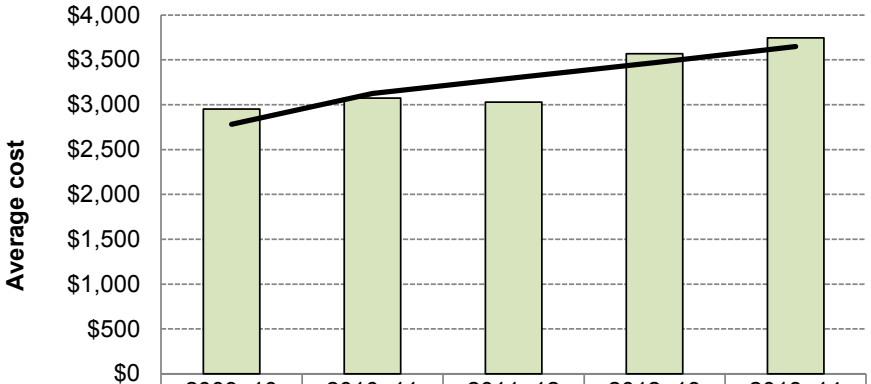
A target unit cost of $3,649 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

In 2013–14, the averge cost per person of home and community care services delivered to people with long term disability was $3,745; slightly above the target of $3,649 (see Figure 19).

Figure 19: **Average cost per person of Home and Community Care services delivered to people with long term disability, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Ave cost | $2,951 | $3,075 | $3,030 | $3,569 | $3,745 |
| Target | $2,783 | $3,125 | $3,299 | $3,468 | $3,649 |

**Notes:**

1. Clients of the Home and Community Care program have the right to 'opt out' of being included in the minimum data set. The figures used here therefore only relate to those clients who agree to be part of the reporting process.
2. The financial figures include the total allocation of Home and Community Care funding. This consists of funding to community based, non-government and local government organisations and funding allocated to the WA Department of Health and WA Country Health Service.

**Data source/s:** Department of Health unpublished data, Home and Community Care Minimum Data Set Database.

# Average cost per transition care day

**Outcome 2**
Efficiency KPI
Service 9:
Continuing care

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

The Transition Care Program is a joint Commonwealth and State and Territory initiative that aims to optimise the functioning and independence of older people and enable them to return home after a hospital stay rather than prematurely enter residential care. The Transition Care Program is tailored to meet the needs of the individual and aims to facilitate a continuum of care for older people in a non-hospital environment while giving them more time and support to make a decision on their longer term care arrangements.

## Target

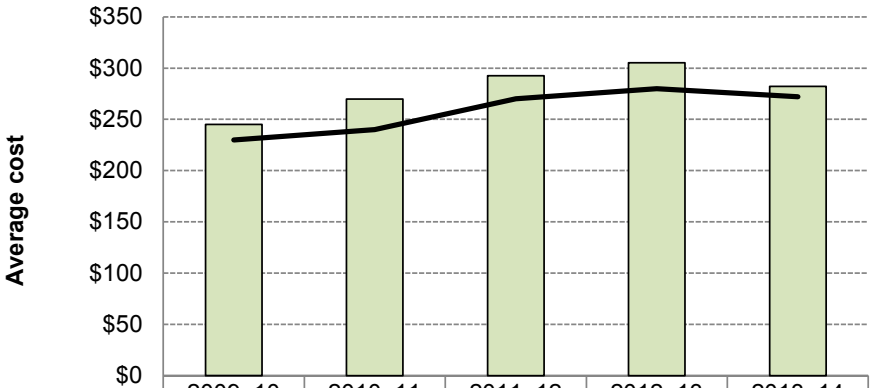
A target unit cost of $272 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

In 2013–14, the average cost per transition care day was $282; above the target of $272 (see Figure 20).

Figure 20: **Average cost per transition care day, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Ave cost | $245 | $270 | $293 | $305 | $282 |
| Target | $230 | $240 | $270 | $280 | $272 |

**Data source/s:** Department of Health unpublished data.

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

**Outcome 2**
Efficiency KPI
Service 9:
Continuing care

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

The goal of non-acute care is the prevention of deterioration in the functional and current health status of patients, such as frail older people or younger people with a disability. Non-acute care is usually provided in a hospital while patients are awaiting placement into residential care, waiting for the services they will need at home to be organised, vital modifications to be made to their homes or when their carer needs a break.

In addition to the non-acute admitted continuing care services that are delivered by the public health system, the WA Government has entered into collaborative agreements with private providers to provide continuing care for non-acute patients.

## Target

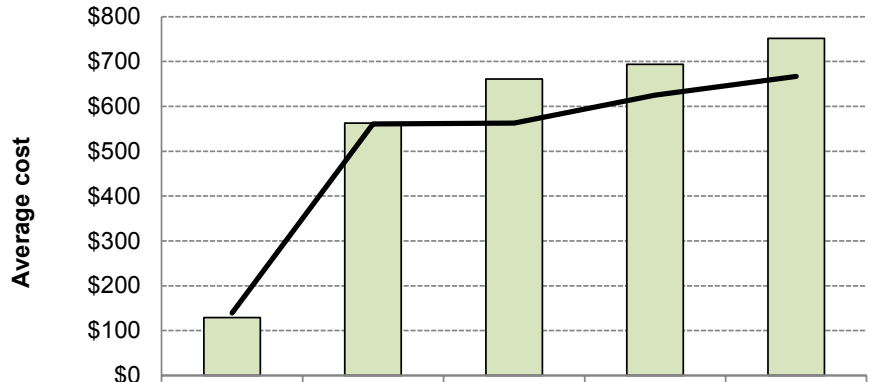
A target unit cost of $667 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

In 2013–14, the average cost per day of care for non-acute admitted continuing care was $751; above the traget of $667 (see Figure 21).

Figure 21: **Average cost per day of care for non-acute admitted continuing care, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013-14 |
|---|---|---|---|---|---|
| Ave cost | $129 | $562 | $661 | $694 | $751 |
| Target | $139 | $561 | $563 | $625 | $667 |

**Notes:**

1. From 2010–11, expenditure for respite care, transitional rehabilitation and the additional care subsidy were re-aligned to another Continuing Care KPI, resulting in the marked difference in performance.
2. Costs are based on a contractual agreement between the Department of Health and the service provider. A decrease in the referred activity compared to the contracted activity levels will result in a higher than average cost.

**Data source/s:** Department of Health unpublished data.

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

**Outcome 2**
Efficiency KPI
Service 9:
Continuing care

## Rationale

WA's public health system aims to provide safe, high-quality health care that ensures healthier, longer and better quality lives for all Western Australians. In order to improve, promote and protect the health of Western Australians, it is critical that the health system is sustainable by providing effective and efficient care that best uses allocated funds and resources.

Chronic conditions pose a significant burden on health care in WA. Most chronic conditions do not resolve spontaneously, and are generally not cured, ongoing care and support. As such, the State Government has identified several chronic conditions, e.g. diabetes, which requires special health services to improve quality of life. In addition to chronic diseases, for those who have permanent disabilities, ongoing care and support aims to enhance their health and wellbeing. This care is provided through residential, community or respite care through organisations that have collaborative agreements with the WA Government.

## Target

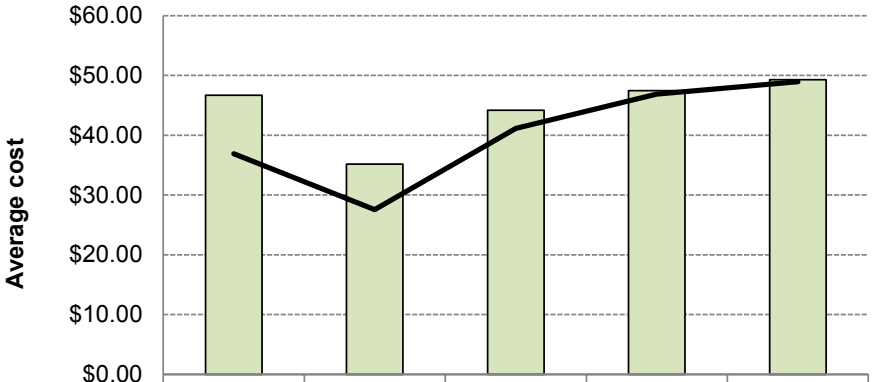
A target unit cost of $48.93 was set in the 2013–14 State Government Budget Statements.

A result below the target is desirable.

## Results

In 2013–14, the average cost to support patients who suffer specific chronic illness and other clients who require continuing care was $49.28, slightly higher than the target of $48.93 (see Figure 22).

Figure 22: **Average cost to support patients who suffer specific chronic illness and other clients who require continuing care, 2009–10 to 2013–14**




| | 2009–10 | 2010–11 | 2011–12 | 2012–13 | 2013–14 |
|---|---|---|---|---|---|
| Ave cost | $46.68 | $35.19 | $44.19 | $47.45 | $49.28 |
| Target | $36.88 | $27.54 | $41.16 | $46.88 | $48.93 |

**Note:** In 2010–11, some specific Department of Health expenditure previously included in this KPI was re-allocated to the Department of Health Corporate Services overheads pool, resulting in the marked difference in performance for 2010–11.
**Data source/s:** Department of Health unpublished data, Australian Bureau of Statistics 2009 Disability Ageing and Carers Survey (Cat. No. 4430.0 & 4433.0), Oracle Financial Systems.

# Ministerial directives

The Treasurer's Instruction 902 (12) requires disclosing information on any Ministerial directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.

WA Health has received no Ministerial directives that are relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.

## Summary of board and committee remuneration

The total annual remuneration for each board or committee is listed below (see Table 18). For details of individual board or committee members please refer to Appendix 1.

Table 18: **Summary of State Government boards and committees within the Department of Health, 2013–14**

| Board/Committee name | Total remuneration ($) |
|---|---|
| Animal Resource Authority Board | 4,380 |
| Department of Health WA Human Research Ethics Committee (DOHWA HREC) | 46,820 |
| Fluoridation of Public Water Supplies Advisory Committee | 150 |
| Local Health Authorities Analytical Committee | 370 |
| Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia | 27,814 |
| Pharmacy Registration Board of Western Australia | 22,540 |
| Queen Elizabeth II Medical Centre Trust | 40,102 |
| Radiological Council | 12,320 |
| Stimulants Assessment Panel | 2,417 |
| WA Health Transition and Reconfiguration Steering Committee | 0 |
| WA Reproductive Technology Council | 33,228 |
| WA Reproductive Technology Counselling Committee | 1,704 |
| WA Reproductive Technology Counselling Embryo Storage Committee | 710 |
| WA Reproductive Technology Counselling Licensing and Administration Advisory Committee | 213 |
| WA Reproductive Technology Counselling Preimplantation Genetic Diagnosis (PGD) Technical Advisory Committee | 710 |
| WA Reproductive Technology Counselling Scientific Advisory Committee | 1,349 |
| Western Australian Aged Care Advisory Council | 788 |

# Other financial disclosures

## Pricing policy

The National Health Reform Agreement sets the policy framework for the charging of public hospital fees and charges. Under the Agreement, if an eligible person receives public hospital services as a public patient in a public hospital or a publicly contracted bed in a private hospital, they are treated 'free of charge'.

The majority of hospital fees and charges for public hospitals are set under Schedule 1 of the *Hospitals (Services Charges) Regulations 1984* and the *Hospitals (Services Charges for Compensable Patients) Determination 2005*. These hospital fees are reviewed annually on 1 July.

- Public patients requiring nursing care and accommodation after the 35th day of their stay in hospital providing they no longer need acute care and they are deemed to be a Nursing Home Type Patient; the total daily amount charged being no more than 87.5 per cent of the current daily rate of the single aged pension and the maximum daily rate of rental assistance.
- Private patients, compensable patients and Medicare ineligible persons may be charged an amount for public hospital services as determined by the State of WA. The setting of compensable and ineligible hospital accommodation fees is set close to, or at, full cost recovery.
- The Commonwealth Private Health Insurance branch 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 – 'patient contribution' on a bi-annually basis via its March and September Pension increases. In order 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.
- The pricing of pharmaceuticals is set at the Pharmaceutical Benefits Scheme statutory co-payments, as regulated and amended by the Commonwealth on 1 January of each year. Note that pharmaceutical items supplied to admitted private patients, are provided 'free of charge' as per the National Health Reform Agreement business rules.
- The charging of eligible war service veterans is 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. Medical charges are fully recouped from 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.
- 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, with eligible patients charged the following co-payment rates:
  - 50 per cent of the treatment fee if the patient is the holder of a current Health Care Card or Pensioner Concession Card, or
  - 25 per cent of the treatment fee if the patient is the current holder of one of the above cards and in receipt of a near full pension or an allowance from Centrelink or the Department of Veterans Affairs.

## Capital works

WA Health has a substantial Asset Investment Program that facilitates remodelling and development of health infrastructure. Program initiatives include the continuation of major projects to reconfigure metropolitan general and tertiary hospitals, and significant investment in regional hospital infrastructure. Table 19 and 20 provide a breakdown of Asset Investment Program initiatives that were completed or were in progress during 2013–14.

Table 19: **Major Asset Investment Program works completed in 2013–14**

| Initiative | Estimated total cost in 2013–14 $`000 |
|---|---|
| **Metropolitan Health Service** | |
| **Capital Works (including major redevelopments and equipment)** | |
| Fremantle Hospital – B Block Roof Replacement | 4,475 |
| Graylands Hospital – Redevelopment Planning | 600 |
| Kalamunda Hospital – Surgical Theatres Redevelopment | 2,864 |
| Kalamunda Maternity Service | 482 |
| King Edward Memorial Hospital – Maternal Fetal Assessment Unit | 5,500 |
| King Edward Memorial Hospital – DNAMER | 2,455 |
| King Edward Memorial Hospital – Holding | 1,397 |
| Murray District Health Centre | 4,970 |
| Neonatal Medical Equipment | 875 |
| Peel Health Campus – Emergency Department Expansion | 3,000 |
| Peel Health Campus – Theatres Cooling System | 480 |
| Royal Perth Hospital – Plastics Clinics Relocation | 4,636 |
| Royal Perth Hospital Medical Oncology Redevelopment | 2,450 |
| Swan District Hospital ED Upgrade | 341 |
| Princess Margaret Hospital – Emergency Power Generation System | 2,546 |
| Princess Margaret Hospital – Fire Detection & Occupant Warning System Upgrade | 1,958 |
| Princess Margaret Hospital – New Operating Theatre | 3,500 |
| Princess Margaret Hospital – PICU Isolation Rooms | 88 |
| Princess Margaret Hospital – Ward 5A Upgrade | 1,044 |
| QEIIMC – Electricity Substation Upgrade | 371 |
| QEIIMC – Hydraulics Infrastructure Upgrade | 5,830 |
| QEIIMC Electrical Switchgear Upgrade | 2,300 |
| QEIIMC Pneumatic Tube Upgrade | 1,170 |
| **Subtotal** | **53,332** |

| Initiative | Estimated total cost in 2013–14 $`000 |
|---|---|
| **WA Country Health Service** | |
| **Capital Works (including major redevelopments and equipment)** | |
| Bunbury BreastScreen Clinic – Information and communication technology | 500 |
| Broome Mental Health – 14 bed unit | 8,823 |
| Broome Paediatrics Facility | 7,860 |
| Broome Regional Resource Centre – Redevelopment Stage 1 | 42,000 |
| Carnarvon Integrated Health Service – Redevelopment Stage 1 | 2,908 |
| Carnarvon CT Scanner | 1,700 |
| Denmark Multi Purpose Centre – Replacement | 18,077 |
| Esperance CT Scanner | 1,426 |
| Hedland Regional Resource Centre – Stage 2 | 136,364 |
| Kimberley – Various Health Project Developments | 45,300 |
| Kimberley Renal Support Service | 1,400 |
| Kununurra Integrated District Health Service – Development (incl New Dental Clinic) | 5,900 |
| Nickol Bay Hospital – Redevelopment | 7,600 |
| Nickol Bay Hospital Roof Replacement | 2,500 |
| Regional Health Administrative Accommodation | 2,168 |
| South West Health Campus – New Radiotherapy Facility | 10,406 |
| South West Health Campus – Upgrade of Engineering Infrastructure Works | 1,693 |
| WACHS – Holding | 1,104 |
| WACHS PACS – Regional Resource Centre | 6,300 |
| WACHS Staff Accommodation Transition Project | 943 |
| Wyndham Multi Purpose Centre – Development | 4,090 |
| **Subtotal** | **309,062** |

| Initiative | Estimated total cost in 2013–14 $`000 |
|---|---|
| **Statewide** | |
| Chemotherapy and Radiotherapy Services (Election Commitment) | 2,080 |
| COAG Four Hour Rule Solutions – ABM/Decision Support System | 4,542 |
| COAG ED Four Hour Rule Solutions (FHRS) Stage 1 | 5,911 |
| COAG ED Four Hour Rule Solutions (FHRS) Stage 2 | 754 |
| COAG ED Four Hour Rule Solutions (FHRS) Stage 3 | 2,726 |
| Community Health Facilities Expansion Statewide | 6,202 |
| Community Mental Health Initiatives | 5,887 |
| Clinical Training Fund | 3,301 |
| Hospital Nurses Support Fund | 2,314 |
| Junior Doctors – Simulated Learning Environments | 1,037 |
| Land Acquisition | 5,750 |
| PABX Upgrade (phone system) | 3,900 |
| Picture Archive and Communication System – Stage 1 Metro and Country | 6,500 |
| Stimulated Learning Environments Program | 4,063 |
| **Subtotal** | **54,967** |

**Notes:**
- The above information is based upon the 2013–14 published budget papers.
- No significant variation for the above projects.
- Includes projects that are in the defects period.

Table 20: **Major capital works in progress during 2013–14**

| Initiative | Estimated Total Cost in 2013–14 ($'000) | Reported in 2012–13 ($'000) | Variance ($'000) | Expected Completion Date |
|---|---|---|---|---|
| **Metropolitan Health Service** | | | | |
| Armadale Kelmscott Hospital – Development | $15,970 | $15,970 | $0 | Sep 2016 |
| Bentley Hospital – Development | $10,341 | $10,341 | $0 | TBA |
| BreastScreen WA – Digital Mammography Technology[7] | $13,322 | $13,342 | –$20 | May 2016 |
| Fiona Stanley Hospital – Development[1,7] | $1,600,526 | $1,719,761 | –$119,235 | Complete |
| Fremantle Hospital – Holding[1] | $1,550 | $1,075 | $475 | Dec 2015 |
| Fremantle Hospital – Reconfiguration Stage 1 | $13,211 | $13,211 | $0 | TBA |
| Graylands Hospital – Development Stage 1 | $16,084 | $16,084 | $0 | TBA |

| Initiative | Estimated Total Cost in 2013–14 ($'000) | Reported in 2012–13 ($'000) | Variance ($'000) | Expected Completion Date |
|---|---|---|---|---|
| **Metropolitan Health Service (cont.)** | | | | |
| Joondalup Health Campus – Development Stage 1[1] | $223,952 | $229,800 | –$5,848 | Dec 2014 |
| Kalamunda Hospital – Redevelopment Stage 2 | $9,761 | $9,761 | $0 | TBA |
| Mandurah Community Health Centre – Development Stage 2 | $3,418 | $3,418 | $0 | Complete |
| Midland Health Campus – Development Stage 1 | $360,200 | $360,200 | $0 | Nov 2015 |
| Osborne Park Hospital additional parking facility[1] | $3,500 | | $3,500 | TBA |
| Peel Health Campus – Development Stage 1 | $2,464 | $2,464 | $0 | TBA |
| Perth Children's Hospital – Development | $1,168,734 | $1,168,734 | $0 | Jun 2015 |
| Princess Margaret Hospital – Holding[1] | 6,962 | 3,096 | $3,866 | Various |
| Princess Margaret Hospital – Interim Holding Works at Existing PMH Site[1] | $5,000 | $15,000 | –$10,000 | Various |
| QEIIMC – Multideck car park Phase 2[7] | $5,125 | $7,314 | –$2,189 | Complete |
| QEIIMC – New Central Plant Facility[7] | $221,762 | $225,200 | –$3,438 | Complete |
| QEIIMC – State Mortuary | $2,473 | $2,473 | $0 | Complete |
| QEIIMC – New Pathwest Centre[7] | $54,439 | $55,639 | –$1,200 | Complete |
| Rockingham Kwinana Hospital – Redevelopment Stage 1[7] | 114,293 | 114,743 | –$450 | Complete |
| Royal Perth Hospital – Redevelopment Stage 1[3] | $180,000 | $22,000 | $158,000 | TBA |
| SCGH – Mental Health Unit | 28,932 | 28,932 | $0 | Oct 2014 |
| SCGH – G Block Lift Upgrade | $6,101 | $6,101 | $0 | Aug 2015 |
| SCGH – Redevelopment Stage 1[1] | $52,736 | $55,097 | –$2,361 | Various |
| SCGH – Cancer Centre Stage 2[7] | 45,836 | 47,936 | –$2,100 | Complete |
| State Rehabilitation Service – Development[7] | $230,802 | $239,000 | –$8,198 | Complete |
| **WA Country Health Service** | | | | |
| Albany Regional Resource Centre – Redevelopment Stage 1[7] | $168,364 | $170,364 | –$2,000 | Complete |
| Busselton Health Campus[4,7] | $120,271 | $117,900 | $2,371 | Oct 2014 |
| Carnarvon Health Campus Redevelopment[1,7] | $26,497 | $20,837 | $5,660 | Sep 2015 |
| **WA Country Health Service (cont.)** | | | | |

| Initiative | Estimated Total Cost in 2013–14 ($'000) | Reported in 2012–13 ($'000) | Variance ($'000) | Expected Completion Date |
|---|---|---|---|---|
| Country Staff Accommodation – Stage 3 | $27,666 | $27,666 | $0 | Complete |
| Country Staff Accommodation – Stage 4 | $8,889 | $8,889 | $0 | Various |
| Country Staff Accommodation – Holding | $1,111 | $1,111 | $0 | N/A |
| Country – Transport Initiatives | $3,326 | $3,326 | $0 | Various |
| Derby Community Mental health Refurbishment[2] | $1,180 | $0 | $1,180 | May 2014 |
| East Kimberley Development Package[4,7] | $45,000 | $46,800 | –$1,800 | Complete |
| Eastern Wheatbelt District (incl Merredin) – Stage 1 | $9,000 | $9,000 | $0 | Aug 2016 |
| Enhancing Health Services for the Pilbara in Partnership With Industry[7] | $8,286 | $8,336 | –$50 | Various |
| Esperance Health Campus Redevelopment[1] | $32,747 | $31,326 | $1,421 | Nov 2016 |
| Exmouth Multipurpose Service Redevelopment[7] | $7,820 | $8,073 | –$253 | Mar 2016 |
| Harvey Hospital – Redevelopment | $13,900 | $13,900 | $0 | Feb 2017 |
| Kalgoorlie Regional Resource Centre – Redevelopment Stage 1[4,7] | $58,900 | $55,800 | $3,100 | Jan 2015 |
| Karratha Health Campus[7] | $207,130 | $207,150 | –$20 | Dec 2017 |
| North West Health Initiative[2] | $161,000 | | $161,000 | Various |
| Remote Indigenous Health[7] | 22,000 | 22,200 | –$200 | Various |
| South West Health Campus – Critical Care Unit | 14,900 | 14,900 | $0 | Complete |
| Southern Inland Health Initiative – Integrated District Health Campuses[7] | $147,100 | $147,700 | –$600 | Various |
| Southern Inland Health Initiative – Primary Health Centres | $43,360 | $43,360 | $0 | Various |
| Southern Inland Health Initiative – Small Hospitals & Nursing Posts[7] | $108,604 | $108,755 | –$151 | Various |
| Southern Inland Health Initiative – Telehealth[2] | $5,496 | $5,495 | $1 | Various |
| Southern Inland Health Initiative – Residential Aged & Dementia Care | $20,000 | $20,000 | $0 | TBA |
| Strengthening Cancer Services in Regional WA[1,7] | $4,507 | $17,925 | –$13,418 | Various |
| **WA Country Health Service (cont.)** | | | | |

| Initiative | Estimated Total Cost in 2013–14 ($'000) | Reported in 2012–13 ($'000) | Variance ($'000) | Expected Completion Date |
|---|---|---|---|---|
| Strengthening Cancer Services in Regional WA – Geraldton Cancer Centre[1] | $4,100 | | $4,100 | Aug 2015 |
| Strengthening Cancer Services in Regional WA – Northam Cancer Centre[1] | $3,500 | | $3,500 | Nov 2017 |
| Upper Great Southern District (inc Narrogin) – Stage[1] | $9,000 | $9,000 | $0 | Jul 2017 |
| Strengthening Cancer Services in Regional WA – Narrogin Cancer Centre[1] | $2,000 | | $2,000 | Nov 2017 |
| St John's Ambulance (Regional WA) | $1,889 | $1,889 | $0 | N/A |
| **Statewide** | | | | |
| Clinical Incident Management System (CIMS)[3] | $4,557 | | $4,557 | Complete |
| Corporate and Shared Services Reform – HCN | $10,697 | $10,697 | $0 | Jun 2015 |
| Equipment Replacement Program[3] | $495,584 | $386,775 | $108,809 | Various |
| Health Services Development Fund[1] | $4,312 | $7,252 | –$2,940 | Various |
| Improving Public Hospital Services (NPA)[5,7] | $91,515 | NA | $91,515 | Nov 2015 |
| Information and Communication Technology[7] | $237,031 | $248,584 | –$11,553 | Jun 2014 |
| Minor Buildings Works[7] | $141,367 | $193,965 | –$52,598 | Jun 2016 |

**Notes:**

- The above information is based upon the 2013–14 published budget papers.
- Completion timeframes are based upon a combination of known dates at the time of reporting.
- Projects listed above as 'complete' may still be in the defects period.
- Projects variations above, were due to the following:
  1. Transfer of funding between projects
  2. Additional Royalties for Regions Funding
  3. Additional State Funding
  4. Additional Commonwealth Funding
  5. Transfer of funding from recurrent
  6. Impacted as part of 2013/14 Whole of Government Capital Audit
  7. 2013/14 Budget excludes amounts that will not be capitalised, ETC therefore appears lower than reported in the 2012/13 Budget.

## Employment profile

Government agencies are required to report a summary of the number of employees, by category, in comparison with the preceding financial year. Table 21 shows the year-to-date (June 2014) total number of full time equivalent employees (FTE) employed by the Department of Health for 2013–14 by category.

Table 21: **Department of Health total full-time employees by category**

| Category | Definition | 2012–13 | 2013–14 |
|---|---|---|---|
| Administration & clerical | Includes all clerical-based occupations together with patient-facing (ward) clerical support staff. | 745 | 759 |
| Agency* | Includes FTE associated with the following occupational categories: administration and clerical, medical support, hotel services, site services, medical salaried (excludes visiting medical practitioners) and medical sessional. | 28 | 26 |
| Agency nursing | Includes workers engaged on a 'contract for service' basis. Does not include workers employed by NurseWest. | 0 | 0 |
| Assistants in nursing | Support registered nurses and enrolled nurses in delivery of general patient care. | 0 | 0 |
| Dental nursing | Includes registered dental nurses and dental clinic assistants. | 0 | 0 |
| Hotel services | Includes catering, cleaning, stores/supply laundry and transport occupations. | 0 | 0 |
| Medical salaried | Includes all salary-based medical occupations including interns, registrars and specialist medical practitioners. | 16 | 14 |
| Medical sessional | Includes specialist medical practitioners that are engaged on a sessional basis. | 3 | 3 |
| Medical support | Includes all Allied Health and scientific/technical related occupations. | 31 | 35 |
| Nursing | Includes all nursing occupations. Does not include agency nurses. | 27 | 26 |
| Site services | Includes engineering, garden and security-based occupations. | 0 | 0 |
| Other categories | Includes Aboriginal and ethnic health worker related occupations. | 1 | 1 |
| | **Total** | **850** | **863** |

**Notes:**

1. The number 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, workers compensation.
2. Full time equivalent employee figures provided are based on Actual (Paid) month to date full time equivalent employees.
3. Totals may not add due to rounding.
4. Data extracted 11 July 2014.

**Data source/s:** Human Resource Data Warehouse.

## Staff development

The Department of Health recognises that quality staff development is an essential contributing factor to employee performance and flexibility, and contributes to staff retention. The provision of staff development opportunities supports Department of Health employees by developing their particular abilities and skills. It ensures that service delivery requirements are undertaken by competent employees who provide or support the provision of quality health care.

Managers, in consultation with Human Resource Services and the Training and Development Coordinator, play a key role in planning training and development opportunities for employees to:

- ensure staff meet essential job requirements
- enhance the standard and efficiency of performance
- meet the legislative, strategic and operational requirements of the organisation
- develop higher level skills and abilities in individual employees
- support legal and industrial obligations
- implement strategic objectives
- improve safety and quality.

It is the responsibility of managers to provide occasions for discussion about staff development requirements and opportunities, and to ensure that employees have an opportunity to participate in relevant and appropriate staff development activities, including required training, within budgetary and service constraints. It is the responsibility of employees to communicate their development needs to the appropriate supervisor or manager, to nominate to attend relevant work related activities offered by the Department of Health and/or external agencies, and to seek opportunities to apply the knowledge and skills learned.

## Industrial relations

The WA Health Industrial Relations Service provides advisory, representation and consultancy support in industrial relations and significant workforce management issues for the metropolitan, country and other health services comprising WA Health.

Key activities for 2013–14 included negotiating new industrial agreements for hospital support workers, oral health workers and medical practitioners. Progress was also made in negotiations for new industrial agreements for the nursing workforce, health professionals, and administrative, clerical and technical staff.

## 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 & Rehabilitation Act 1981.*

The Department of Health is committed to the prevention of occupational injuries and diseases through the provision of readily available information to staff. All aspects of occupational health and safety processes which relate to a safe working environment and injury management including the provision of return–to–work programs and vocational rehabilitation services are included. In 2013–14 a total of 5 workers' compensation claims were made (see Table 22). For further details on the Department of Health's occupational injury and illness prevention and rehabilitation programs and services please see Occupational safety, health and injury section of this report.

Table 22: **Number of Department of Health workers' compensation claims in 2013–14**

| Employee category | Number |
|---|---|
| Nursing Services/Dental Care Assistants | 0 |
| Administration and Clerical | 4 |
| Medical Support | 0 |
| Hotel Services | 0 |
| Maintenance | 0 |
| Medical (salaried) | 1 |
| **TOTAL** | **5** |

**Note:** For the purposes of the annual report Employee categories are defined as:
- Administration and clerical – includes administration staff and executives, ward clerks, receptionists and clerical staff
- Medical support – includes physiotherapists, speech pathologists, medical imaging technologists, pharmacists, occupational therapists, dieticians and social workers
- Hotel services – includes cleaners, caterers, and patient service assistants.

# Governance requirements

## Pecuniary interests

Senior officers of government are required to declare any interest in an existing or proposed contract that has, or could result in, the member receiving financial benefits.

In 2013–14, the Executive Director for the Performance Activity and Quality Division, Dr Dorothy Jones, declared that she had joined the Board of Ruah Community Services. Ruah is a community sector organisation which has received funding from the Department of Health. Administrative arrangements are in place within the Department of Health to ensure that Dr Jones' membership on the Ruah Board does not result in a conflict of interest.

# Other legal disclosures

## Special purpose accounts

DEPARTMENT OF HEALTH

SPECIAL PURPOSE STATEMENT

**TELETHON – PERTH CHILDREN'S HOSPITAL RESEARCH FUND**

| | |
|---|---|
| NAME | An account titled the Telethon – Perth Children's Hospital Research Fund Account (the Account) shall be established and maintained as an agency special purpose account pursuant to section 16(1)(d) of *the Financial Management Act 2006* by the Department of Health. |
| 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 (WA). |
| RECEIPTS | There shall be credited to the Account such moneys as are received for the purposes of the Account including:<br>• moneys as are received from the Channel 7 Telethon Trust;<br>• moneys made available by the State of WA through the Department of Health;<br>• donations; and<br>• 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 purposes of the Account on such terms and conditions as are agreed by the Channel 7 Telethon Trust and the Department of Health including:<br>i) such expenditure being in accordance with the directions of the Scientific Committee;<br>ii) each research grant approved by the Scientific Committee to be for individual research fellowships, research projects and strategic research initiatives for child and adolescent health research in WA to be generally allocated through open, competitive and peer reviewed processes.<br>iii) bank charges; and<br>iv) research administration support costs. |

| | |
|---|---|
| ADMINISTRATION OF ACCOUNT | The Account shall be administered by the Director General, Department of Health in accordance with the *Financial Management Act 2006, Financial Management Regulations 2007* and Treasurers' instructions. |
| ACCOUNTING RECORDS | There shall be maintained a detailed record of transactions processed through the Account, together with such other accounting records and procedures as are prescribed in the Department of Health's financial management manual. |
| FINANCIAL STATEMENTS | There shall be prepared financial statements, together with supplementary information in accordance with the provisions of the *Financial Management Act 2006, Financial Management Regulations 2007* and Treasurer's instructions. |
| 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 in equal proportions to the Channel 7 Telethon Trust and the Department of Health. |

I have examined and agree to the provisions of this Special Purpose Statement

Professor Bryant Stokes
A/Director General
Department of Health

Date: 21.11.13

Approved

Timothy Marney
Under Treasurer

Date: 8.1.14

## Advertising

In accordance with section 175Z of the *Electoral Act 1907*, the Department of Health incurred the following expenditure on advertising agencies, market research, polling, direct mail and media advertising. Total advertising expenditure for the Department of Health in 2013–14 was $1,678,515 (see Table 23).

Table 23: **Department of Health advertising in 2013–14**

| Summary of advertising | Amount ($) |
|---|---|
| Advertising agencies | 484,563 |
| Market research organisations | 556,196 |
| Polling organisations | 220 |
| Direct mail organisations | 17,028 |
| Media advertising organisations | 620,508 |
| **Total advertising expenditure** | **1,678,515** |

The organisations from which advertising services were procured and the amount paid to each organisation are detailed in Table 24.

Table 24. **Department of Health advertising, by class of expenditure, 2013–14**

| Recipient/organisations | Amount ($) |
|---|---|
| **Advertising agencies** | |
| 303Lowe | 28,622 |
| Mills Wilson Communication | 448,241 |
| Mary G Enterprises | 7,700 |
| **Total** | **484,563** |
| **Market research organisations** | |
| Edith Cowan University | 556,196 |
| **Total** | **556,196** |
| **Polling organisations** | |
| Playgroup WA | 220 |
| **Total** | **220** |
| **Direct mail organisations** | |
| Quickmail | 17,028 |
| **Total** | **17,028** |
| **Media advertising organisations** | |
| Adcorp | 21,297 |
| Media Decisions OMD | 33,095 |
| Mitchell and partners Australia/Carat | 506,861 |
| UK recruitment – various publishers | 47,891 |
| University of Western Australia | 1,650 |
| Murdoch University | 1,488 |

| Recipient/organisations | Amount ($) |
|---|---|
| Curtin University | 3,000 |
| WA Aids Council | 4,025 |
| Go West | 1,201 |
| **Total** | **620,508** |

## Disability access and inclusion plan

The *Disability Services Act 1993* was introduced to ensure that people with disability have the same opportunities to fully access the range of health services, facilities and information available in the public health system, and to have the opportunity to provide feedback on the quality of services received, and participate in public consultation concerning WA Health services. WA Health implemented the *Disability Access and Inclusion Plan 2010–15* which incorporates these principles. At 11 June 2014 all public authorities are now required to ensure that people with disability have equal opportunities to employment. WA Health is commencing implementation of this principle.

The following information details the current initiatives and programs being implemented by the Department of Health in-line with the WA Health Disability Access and Inclusion Policy.

### Access to service

The Department of Health abides by the guidelines in ensuring people with disability have the same opportunities as other people to access the services of, and events organised by the Department of Health. For events, only venues that have high certification of disability access are used and include access to toilets, car bays and access ramps. Hearing loops are utilised if required, and if appropriate, a translator can also be provided. All written materials and handouts can be provided in alternative formats for people with disability if required.

### Access to buildings

Accessibility of buildings and facilities by people with disabilities is continually reviewed. Key considerations are ensuring access to buildings and main entrances is by wide driveways, and by providing easy access for modified vehicles, wheelchairs, and people with walking aides. In all public areas of the Department of Health, buildings include ramp access for people who use a wheelchair, and lifts have buttons with braille lettering to assist people with a sight impairment. Adequate ACROD parking has been provided for both the staff and public. Fire wardens are trained in the evacuation procedures for people with disability.

### Access to information

The Department of Health is committed to ensuring that people with disabilities, their families and carers are able to fully access the information available in the public health system.

This is achieved through the redesign, development and maintenance of websites and intranets. All publications are written in plain English and comply with WA Health communications policy. Information is provided in a clear and easy to read format using Arial 12 point. Publications can be provided in alternative formats such as larger fonts and audio format if requested. For people with a hearing impairment, an Auslan interpreter can also be provided.

An annotated HTML and PDF format template has been commissioned to enable blind and sighted impaired people to use text reading platforms such as Jaws® to read and describe pictures in newsletters and patient information brochures. The templates were developed using AA+ disability standards for accessibility.

### Quality of service by staff

The Department of Health ensures all staff members are provided with information in regards to the *Disability Services Act 1993* during the induction process and on an ongoing basis through media such as circulars and global messages.

This promotes a workplace where staff and all members of the public, including persons with a disability, are treated with respect at all times. People with disability receive the same level and quality of service from all Department of Health employees. This is supported by providing appropriate access to the buildings and facilities and adherence to guidelines and policy such as the Delivering Information in Accordance with State Government Access Policy and the Disability Access and Inclusion Policy.

### Opportunity to provide feedback

The Department of Health's Complaint Management Policy outlines the processes for patients, consumers and carers to make a complaint about the care they receive in a WA public hospital. This ensures that people with disability have the same opportunities as other people to make complaints. Complaints can be lodged via written correspondence, telephone, or in person.

Any complaints are fully investigated and the outcome provided in an accessible format. An annual audit of complaints related to participation in public consultation, decision making and grievance procedures is undertaken.

### Participation in public consultation

All people, including people with disabilities, have the opportunity, and are encouraged, to participate in public consultation for services and events.

Recently, when developing and implementing policies and programs relating to patient safety and quality, the Department of Health consulted with a wide range of community stakeholder groups such as Carers WA and the Health Consumers Council of WA. All policy documents were made available for consultation on the Department of Health internet website. This provided people with disabilities the same opportunities as other people to participate in the consultation processes.

During 2013–14, the Department of Health developed a consumer YouTube channel which now features a range of topical consumer videos covering important issues, such as preparing to go to hospital, managing medications, controlling a chronic illness, and immunisation schedules for children. The videos are professionally produced and edited and suited to consumers with a range of access issues, for example English as a second language, impaired sight, or low literacy.

## 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 WA Health are responsible for ensuring that their behaviour reflects the standards of conduct embodied in the *WA Health Code of Conduct*. Managers and supervisors have a special responsibility to support employees in achieving these goals, by leading by example and assisting employees to understand the *WA Health Code of Conduct*. Managers and supervisors also have a duty to investigate and act accordingly where allegations of breaches of the *Code of Conduct* are raised.

In 2013–14, 345 applications regarding non-compliance with the *Code of Conduct* or the *Code of Ethics* were lodged. Three of the applications were referred to the Public Sector Commission and the remaining were investigated internally.

Compliance in relation to the Public Sector Commission's *Standards in Human Resource Management* is maintained by the Department of Health through the provision of a mandatory Accountable and Ethical Decision Making, e-learning and face-to-face programs delivered to all staff, raised awareness of the standards during induction and by notifying job applicants of their rights and obligations throughout the application process.

In 2013–14, three applications regarding a breach to the recruitment, selection, and appointment process were lodged that resulted in one application withdrawn, one referred to the Public Sector Commission and one resolved internally.

## Recordkeeping plans

The *State Records Act 2000* was established to mandate the standardisation of statutory recordkeeping practices for every State Government agency including records creation policy, record security, and the responsibilities of all staff. Government agency practice is subject to the provisions of the Act and the standards and policies. Government agencies are also subject to scrutiny by the State Records Commission.

In 2013–14, the Department of Health continues to progress its compliance with the *State Records Act 2000* through the *Department of Health Recordkeeping Plan*. The purpose of the plan is to set out the matters about which records are to be created and how those records are kept. The plan provides an accurate reflection of the recordkeeping program, including information regarding the recordkeeping system(s), disposal arrangements, policies, practices and processes. All Department of Health staff are required to comply with the Department of Health Recordkeeping Plan and associated policies. Compliance of staff within the Department of Health was monitored in 2013–14 via a targeted Recordkeeping audit.

Recordkeeping training for staff is available via a range of educational initiatives that include:

- Record Services intranet website
- online recordkeeping awareness training
- online induction programs in recordkeeping
- online total records and information management (TRIM) training
- inclusion of a recordkeeping module in Accountability and Ethical Decision Making training
- face-to-face induction training
- face-to-face ethical decision making courses
- face-to-face records management and TRIM training.

The primary means for raising awareness of recordkeeping is the Online Recordkeeping Awareness training. In total 35,000 staff have been enrolled in the training course, with 5,730 staff enrolled during 2013–14 and 7,619 staff completing the training during 2013–14.

High percentages of staff from the Health Services continue to undertake this training. A total of 32,771 Metropolitan Health Service and WA Country Health Service staff enrolled with 5,337 enrolled during 2013–14, and 7,281 staff completing the training during 2013–14.

The efficiency and effectiveness of the recordkeeping training program is reviewed on a regular basis via feedback and assessments of training by attendees. These training programs have proved popular, with approximately 83 per cent of staff describing the course as either informative, essential or stimulating, and 87 per cent of staff agreeing that their knowledge has improved as a consequence of the training.

The Recordkeeping Plan, recordkeeping policies, the Business Classification Scheme and Retention and Disposal Schedules are available online and are communicated to staff via Department of Health Circulars as required.

## Substantive equality

WA Health continues to implement the *Policy Framework for Substantive Equality*. The framework provides a clear direction for addressing the diverse needs and sensitivities of the communities in which it operates and contributes towards achieving substantive equality for all Western Australians.

Each entity within WA Health has developed policies and implemented initiatives distinctive to their unique environment. The entity specific policies and initiatives are sensitive to cultural needs, are patient focussed, innovative, accessible and safe.

The Department of Health seeks to ensure substantive equality across all areas of service and many initiatives are helping to achieve this aim. Examples include the recent release of the inaugural *Western Australian Women's Health Strategy 2013–2017*, with the aim of directly addressing the health needs of women in WA, and improvements to the *Having a Baby in WA* website to incorporate feedback from culturally and regionally diverse groups.

In addition, the Department of Health continues to promote and communicate the *Policy Framework for Substantive Equality* throughout the organisation. This is done by holding WA Health Cultural Competency Training sessions which are delivered to clinical and non-clinical staff. The training sessions aim to equip staff with the knowledge, tools and skills to develop competencies when dealing with cross-cultural encounters and to deliver welcoming, inclusive, safe, and high quality health care.

## Occupational safety, health and injury

All areas of WA Health are committed to continuously improving the occupational safety, health and injury 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, the Health Corporate Network and the Health Information Network are committed to occupational safety, health and injury management. This is demonstrated by their strong missions and goals, including 'Supporting our team' and encouraging staff to achieve their best by providing a safe environment for staff, contractors and visitors.

Health Corporate Network's commitment is also demonstrated by the ongoing implementation of its inaugural *Safety Management Plan 2011–2013*. A key element of which has been an annual review of Health Corporate Network's Occupational Safety and Health performance indicators, targets and achievement of objectives. An Occupational Safety and Health Activities Table schedule was established to drive continuous improvement.

### Compliance with occupational safety and health injury management

The Department of Health has an established occupational safety and health injury management system that is in accordance with the both the *Occupational Safety and Health Act 1984* and the injury management requirements of the Worker*s' Compensation and Injury Management Act 1981*. The Department of Health has written policies and procedures, and dedicated resources in place to support the system. The system is communicated to staff at induction, via the intranet and by Senior Human Resource Consultants who undertake Divisional Portfolio liaison.

### Employee consultation

The Department of Health has established an occupational safety and health committee which includes employee representatives and management from within the Department of Health. The committee meets bi-monthly to discuss matters of policy, procedure, planning and direction to ensure continuous improvement in safety management. Feedback from the meeting is provided to the Director, Office of the Director General.

The committee members' appointment, location and details are communicated to all employees at induction, via the intranet and displayed on noticeboards.

Input from occupational safety and health representatives is also formally sought in hazard and accident/incident investigations to determine adequate control measures for risk reduction. During 2013–14, five new occupational safety and health representatives were appointed and underwent accredited training. A further three occupational safety and health representatives renewed their term of office for a second period.

### 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. The Department of Health provides return-to-work programs and vocational rehabilitation services for injured employees.

Return-to-work programs include:

- collaboration with the injured worker's medical practitioners, rehabilitation provider and insurer (Risk Cover)
- liaison with vocational rehabilitation providers to assist in the graduated return-to-work program for the injured worker
- documented return to work goals for the injured employee.

### Occupational safety and health assessment and performance indicators

Assessment of safety management systems using the Work Safe Plan are conducted by occupational safety and health consultants at regular intervals to ensure compliance with occupational safety and health practices.

Arising from the self-assessment, it was identified that all committee members of the Occupational Safety and Health Committee should received training to comply with Worksafe Registration. Occupational Safety and Health manager training has been undertaken by 43 per cent of Department of Health managers.

Additionally, 16 priority and four core recommendations have been endorsed by the Health Corporate Network Executive for incorporation into the *Safety Management Plan 2014–17* for completion over a four year period in alignment with Health Corporate Network's Strategic Plan.

The Health Information Network five year review is nearing completion with a draft plan submitted for consideration in June 2014.

The annual performance reported for the Department of Health in relation to occupational safety, health and injury for 2013–14 is summarised in Table 25.

Table 25: **Occupational safety, health and injury performance for 2013–14**

| | 2013–14 |
|---|---|
| Fatalities | 0 |
| Lost time injury/diseases (LTI/D) incidence rate (rate per 100) | 0.74 |
| Lost time injury severity rate (rate per 100) | 74.43 |
| Percentage of injured workers returned to work within 26 weeks | 47.1% |
| Percentage of managers trained in occupational safety, health and injury management responsibilities | 36.0% |

# Appendix

# Appendix 1: Board and committee remuneration

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Animal Resource Authority Board** | | | | |
| Chair and Member | Anthony Tate | Per meeting | 12 months | $1,380 |
| Deputy Chair and Member | Dr Campbell Thompson | Per meeting | 12 months | $0 |
| Member | Leslie Chalmers | Per meeting | 12 months | $1,200 |
| Member | Prof. Jennet Harvey | Per meeting | 12 months | $1,200 |
| Member | Michael Robins | Per meeting | 12 months | $0 |
| Member | Charles Thorn | Per meeting | 12 months | $0 |
| Member | Prof. Piroska Rakoczy | Per meeting | 12 months | $600 |
| Member | Prof. David Morrison | Per meeting | 12 months | $0 |
| | | | **Total:** | **$4,380** |
| **Department of Health WA Human Research Ethics Committee** | | | | |
| Chair | Assoc. Prof. Judy Allen | Annual | 12 months | $19,100 |
| Deputy Chair | Dr Katrina Spilsbury | Per meeting | 12 months | $3,630 |
| Lawyer | Alisdair Putt | Per meeting | 12 months | $660 |
| Lawyer | Jennifer Wall | Per meeting | 4 months | $1,650 |
| Professional Care | Patricia Fowler | Per meeting | 12 months | $3,630 |
| Researcher | Dr Alison Garton | Per meeting | 12 months | $3,630 |
| Pastoral Care | Reverend Jenifer Goring | Per meeting | 12 months | $3,630 |
| Information Security | Gary Langham | Per meeting | 12 months | $2,640 |
| Layperson (M) | Ross Monger | Per meeting | 12 months | $2,970 |
| Layperson (F) | Mary Archibald | Per meeting | 12 months | $3,630 |
| WA Health Representative | Mary Miller | Not eligible | Not applicable | $0 |
| Deputy WA Health Representative | Dr Janine Alan | Not eligible | Not applicable | $0 |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Department of Health WA Human Research Ethics Committee (cont.)** | | | | |
| Deputy WA Health Representative | Stephen Woods | Not eligible | Not applicable | $0 |
| Deputy Lawyer | Meike Dixon | Per meeting | 4 months | $0 |
| Deputy Professional Care | Timothy Smith | Not eligible | Not applicable | $0 |
| Deputy Researcher | Ass. Prof. Tom Briffa | Per meeting | 12 months | $330 |
| Deputy Researcher | Dr Geoffrey Hammond | Not eligible | Not applicable | $0 |
| Deputy Researcher | Asst. Prof. Angela Ives | Per meeting | 12 months | $330 |
| Deputy Pastoral Care | Reverend Brian Carey | Per meeting | 12 months | $0 |
| Deputy Information Security | Shane Gallagher | Per meeting | 12 months | $330 |
| Layperson (M) | Dr Phillip Jacobsen | Per meeting | 12 months | $660 |
| Layperson (F) | Kathryn Kirk | Per meeting | 12 months | $0 |
| Layperson (F) | Yvonne Rate | Per meeting | 12 months | $0 |
| | | | **Total:** | **$46,820** |
| **Fluoridation of Public Water Supplies Advisory Committee[1]** | | | | |
| Chair | Dr Richard Lugg | Not eligible | Not applicable | $0 |
| Secretary | Richard Theobald | Not eligible | Not applicable | $0 |
| Member 2 | | Nil | Nil | $0 |
| Member 3 | | Nil | Nil | $0 |
| Member 4 | | Nil | Nil | $0 |
| Member 5 | | Nil | Nil | $0 |
| Member 6 | | Per meeting | 12 months | $150 |
| | | | **Total:** | **$150** |

[1]Approval to withhold the names of the committee members was obtained from the Minister for Health.

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Local Health Authorities Analytical Committee** | | | | |
| Member | Eugene Lee | Per meeting | 12 months | $0 |
| Member | Joseph Zappavigna | Per meeting | 12 months | $0 |
| Member | Jason Jenke | Per meeting | 12 months | $0 |
| Member | Graeme Blakey | Per meeting | 5 months | $0 |
| Member | Greg Dycas | Per meeting | 12 months | $0 |
| Member | Phillip Oorjitham | Per meeting | 12 months | $0 |
| Member | Robert Boardman | Per meeting | 12 months | $0 |
| Member | David Wilson | Per meeting | 12 months | $0 |
| Member | Colin Dent | Per meeting | 12 months | $0 |
| Member | Councillor Belinda Rowland | Per meeting | 12 months | $370 |
| | | | **Total:** | **$370** |
| **Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia** | | | | |
| Chair and Practitioner Member | Dr Jennifer Thornton | Per meeting | 12 months | $7,866 |
| Practitioner Member | Assoc. Prof. David Leach | Per meeting | 12 months | $6,462 |
| Practitioner Member | Dr Neil McLean | Per meeting | 12 months | $6,448 |
| Community Member | Theodore Sharp | Per meeting | 12 months | $7,038 |
| | | | **Total:** | **$27,814** |
| **Pharmacy Registration Board of Western Australia** | | | | |
| Chair | John Harvey | Per meeting | 12 months | $8,050 |
| Deputy Chair | Zoe Mullen | Per meeting | 12 months | $4,370 |
| Member | Prof. Michael Garlepp | Per meeting | 12 months | $5,060 |
| Member | Margaret Ford | Per meeting | 12 months | $5,060 |
| | | | **Total:** | **$22,540** |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Queen Elizabeth II Medical Centre Trust** | | | | |
| Chair | Steven Cole | Annual | 12 months | $40,102 |
| Member | Ian Anderson | Per meeting | 12 months | $0 |
| Member | Wayne Salvage | Per meeting | 12 months | $0 |
| Member | Gaye McMath | Per meeting | 12 months | $0 |
| Member | Winthrop Prof. Ian Puddey | Per meeting | 12 months | $0 |
| | | | **Total:** | **$40,102** |
| **Radiological Council** | | | | |
| Chair | Dr Andrew Robertson | Not eligible | Not applicable | $0 |
| Member | Dr Chandra Hewavitharana | Per meeting | 11 months | $0 |
| Member | Dr Geoffrey Groom | Per meeting | 12 months | $1,760 |
| Member | Dr Richard Fox | Per meeting | 12 months | $1,760 |
| Member | Maxwell Ross | Not eligible | Not applicable | $0 |
| Member | Assoc. Prof. Janice KcKay | Per meeting | 12 months | $1,760 |
| Member | Christopher Dillon | Per meeting | 12 months | $1,760 |
| Member | Gary Fee | Per meeting | 12 months | $1,760 |
| Member | Gregory Scott | Not eligible | Not applicable | $0 |
| Deputy Member | Dr Deepthi Dissanayake | Not eligible | Not applicable | $0 |
| Deputy Member | Dr Elizabeth Thomas | Not eligible | Not applicable | $0 |
| Deputy Member | Dr Roger Price | Not eligible | Not applicable | $0 |
| Deputy Member | John O'Donnell | Not eligible | Not applicable | $0 |
| Deputy Member | Assoc. Prof. Zhonghua Sun | Per meeting | 12 months | $1,760 |
| Deputy Member | Christopher Whennan | Per meeting | 12 months | $1,760 |
| | | | **Total:** | **$12,320** |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Stimulants Assessment Panel** | | | | |
| Chair/Member | Neil Keen | Per meeting | 12 months | $0 |
| Chair | Revle Bangor–Jones | Per meeting | 12 months | $0 |
| Member | Alpa Dodhia | Per meeting | 12 months | $0 |
| Member | Dr Nathan Gibson | Per meeting | 12 months | $0 |
| Member | Dr Richard O'Regan | Per meeting | 12 months | $0 |
| Member | Dr Peter Rowe | Per meeting | 12 months | $0 |
| Member | Dr Johana Stefan | Per meeting | 12 months | $0 |
| Member | Dr Annkathrin Franzmann | Per meeting | 6 months | $217 |
| Member | Dr Oleh Key | Per meeting | 12 months | $2,200 |
| Member | Dr Nikki Panotidis | Per meeting | 4 months | $0 |
| Member | Prof. Charles Watson | Per meeting | 4 months | $0 |
| | | | **Total:** | **$2,417** |
| **Western Australian Aged Care Advisory Council** | | | | |
| Chair | Dr Penny Flett | Per meeting | 12 months | $426 |
| Deputy Chair | Gail Milner | Not eligible | Not applicable | $0 |
| Member | Rob Willday | Not eligible | Not applicable | $0 |
| Member | Dr Nick Bretland | Per meeting | 12 months | $220 |
| Member | Beth Cameron | Not eligible | Not applicable | $0 |
| Member | Dr Ron Chalmers | Not eligible | Not applicable | $0 |
| Member | Paul Coates | Not eligible | Not applicable | $0 |
| Member | Prof. Leon Flicker | Not eligible | Not applicable | $0 |
| Member | Dr Helen McGowan | Not eligible | Not applicable | $0 |
| Member | Rhonda Parker | Not eligible | Not applicable | $0 |
| Member | Paul Purdy | Not eligible | Not applicable | $0 |
| Member | Ann Banks | Per meeting | 12 months | $142 |
| Member | Linda Jackson | Not eligible | Not applicable | $0 |
| Member | Jenny Stevens | Not eligible | Not applicable | $0 |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Western Australian Aged Care Advisory Council (cont.)** | | | | |
| Member | Dr Hannah Seymour | Not eligible | Not applicable | $0 |
| Member | Stephen Kobelke | Not eligible | Not applicable | $0 |
| Member | Jenny Perkins | Not eligible | Not applicable | $0 |
| Member | Jenni Collard | Not eligible | Not applicable | $0 |
| | | | **Total:** | **$788** |
| **WA Reproductive Technology Council** | | | | |
| Chair | Prof. Constantine Michael | Half day | 12 months | $2,556 |
| Deputy Chair | Prof. Roger Hart | Half day | 12 months | $1,704 |
| Member | Dr Simon Clarke | Half day | 12 months | $1,704 |
| Member | Assoc. Prof. James Cummins | Half day | 12 months | $1,704 |
| Member | Justine Garbellini | Half day | 12 months | $1,704 |
| Member | Anne-Marie Loney | Half day | 12 months | $1,704 |
| Member | Dr Brenda McGivern | Half day | 12 months | $1,704 |
| Member | Reverend Dr Joseph Parkinson | Half day | 12 months | $1,704 |
| Member | Assoc. Prof. Katherine Sanders | Half day | 12 months | $1,704 |
| Deputy Member | Maureen Harris | Not eligible | Not applicable | $0 |
| Deputy Member | Dr Peter Burton | Half day | 12 months | $1,704 |
| Deputy Member | Rev Brian Carey | Half day | 12 months | $1,704 |
| Deputy Member | Dr Angela Cooney | Half day | 12 months | $1,704 |
| Deputy Member | Dr Andrew Harman | Half day | 12 months | $1,704 |
| Deputy Member | Dr Michelle Hansen | Half day | 12 months | $1,704 |
| Deputy Member | Dr Peter Roberts | Half day | 12 months | $1,704 |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **WA Reproductive Technology Council (cont.)** | | | | |
| Deputy Member | Dr Lucy Williams | Half day | 12 months | $1,704 |
| Deputy Member | Rachel Oakeley | Half day | 7 months | $1,704 |
| Member | Antonia Clissa | Half day | 6 months | $1,704 |
| Deputy Member | Iolanda Rodino | Half day | 11 months | $1,704 |
| | | | **Total:** | **$33,228** |
| **WA Reproductive Technology Counselling Committee** | | | | |
| Chair | Iolanda Rodino | Half day | 12 months | $994 |
| Member | Justine Garbellini | Half day | 12 months | $568 |
| Member | Anne-Marie Loney | Not eligible | Not applicable | $0 |
| Member | Elizabeth Webb | Half day | 6 months | $142 |
| | | | **Total:** | **$1,704** |
| **WA Reproductive Technology Counselling Embryo Storage Committee** | | | | |
| Chair | Reverend Brian Carey | Half day | 12 months | $426 |
| Member | Dr Michelle Hansen | Half day | 12 months | $0 |
| Member | Dr Brenda McGivern | Half day | 12 months | $142 |
| Member | Dr Andrew Harman | Half day | 4 months | $142 |
| Member | Antonia Clissa | Half day | 4 months | $0 |
| | | | **Total:** | **$710** |
| **WA Reproductive Technology Counselling Licensing and Administration Advisory Committee** | | | | |
| Chair | Prof. Con Michael | Half day | 12 months | $213 |
| Member | Prof. Roger Hart | Half day | 12 months | $0 |
| Member | Reverend Dr Joseph Parkinson | Half day | 12 months | $0 |
| | | | **Total:** | **$213** |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **WA Reproductive Technology Counselling Preimplantation Genetic Diagnosis Technical Advisory Committee** | | | | |
| Chair | Assoc. Prof. Kathy Sanders | Half day | 12 months | $426 |
| Member | Dr Peter Burton | Half day | 12 months | $284 |
| Member | Dr Ashleigh Murch | Not eligible | Not applicable | $0 |
| Member | Dr Sharron Townshend | Not eligible | Not applicable | $0 |
| | | | **Total:** | **$710** |
| **WA Reproductive Technology Counselling Scientific Advisory Committee** | | | | |
| Chair | Assoc. Prof. James Cummins | Half day | 12 months | $639 |
| Member | Dr Peter Burton | Half day | 12 months | $0 |
| Member | Dr Michelle Hansen | Half day | 12 months | $710 |
| Member | Dr Andrew Harman | Half day | 12 months | $0 |
| Member | Prof. Roger Hart | Half day | 12 months | $0 |
| Member | Reverend Dr Joseph Parkinson | Half day | 12 months | $0 |
| Member | Ass. Prof. Kathy Sanders | Half day | 12 months | $0 |
| | | | **Total:** | **$1,349** |
| **Western Australia Board of the Medical Board of Australia** | | | | |
| Chair | Prof. Constantine Michael | Per meeting | 12 months | $3,591 |
| Practitioner Member | Prof. Bryant Stokes | Not eligible | Not applicable | $0 |
| Practitioner Member | Adjunct Prof. Peter Wallace | Per meeting | 12 months | $3,526 |
| Practitioner Member | Dr Steven Patchett | Per meeting | 12 months | $2,058 |
| Practitioner Member | Dr Ken McKenna | Per meeting | 12 months | $3,231 |
| Practitioner Member | Dr Michael McCommish | Per meeting | 12 months | $2,936 |
| Practitioner Member | Dr Frank Kubicek | Per meeting | 12 months | $3,238 |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Western Australia Board of the Medical Board of Australia (cont.)** | | | | |
| Practitioner Member | Vacant | Per meeting | 12 months | $0 |
| Community Member | Nicoletta Ciffolilli | Per meeting | 12 months | $3,533 |
| Community Member | Prudence Ford | Per meeting | 12 months | $2,346 |
| Community Member | Virginia Rivalland | Per meeting | 12 months | $3,231 |
| Community Member | Prof. Stephan Millett | Per meeting | 12 months | $2,936 |
| | | | **Total:** | **$30,626** |
| **Western Australia Board of the Nursing and Midwifery Board of Australia** | | | | |
| Chair | Marie-Louise McDonald | Per meeting | 12 months | $3,582 |
| Practitioner Member | Prof. Selma Alliex | Per meeting | 12 months | $2,648 |
| Practitioner Member | Karen Gullick | Per meeting | 12 months | $2,418 |
| Practitioner Member | Jennifer Wood | Per meeting | 12 months | $2,648 |
| Practitioner Member | Anthony Dolan | Per meeting | 12 months | $2,641 |
| Community Member | Michael Piu | Per meeting | 10 months | $1,770 |
| Community Member | Lynn Hudson | Per meeting | 12 months | $2,641 |
| Community Member | Virginia Seymour | Per meeting | 12 months | $2,360 |
| Community Member | Pamela Lewis | Per meeting | 10 months | $1,770 |
| | | | **Total:** | **$22,478** |

| Position | Name | Type of remuneration | 2013–14 period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Western Australia Board of the Physiotherapy Board of Australia** | | | | |
| Chair and Community Member | Michael Piu | Per meeting | 12 months | $1,053 |
| Practitioner Member | Kim Gibson | Per meeting | 12 months | $864 |
| Practitioner Member | Prof. Anthony Wright | Per meeting | 12 months | $864 |
| Practitioner Member | Assoc. Prof Shane Patman | Per meeting | 12 months | $864 |
| Practitioner Member | Alison Thorpe | Per meeting | 12 months | $576 |
| Community Member | Shelley Hatton | Per meeting | 12 months | $864 |
| Community Member | Tim Benson | Per meeting | 12 months | $864 |
| | | | **Total:** | **$5,949** |
| **WA Health Transition and Reconfiguration Steering Committee** | | | | |
| Chair | Prof. Bryant Stokes | Not eligible | Not applicable | $0 |
| Member | Peter Conran | Not eligible | Not applicable | $0 |
| Member | Tim Marney | Not eligible | Not applicable | $0 |
| Member | Michael Barnes | Not eligible | Not applicable | $0 |
| | | | **Total:** | **$0** |

**Notes:**

1. Remuneration is provided to private sector and consumer representative members of a board/committee. Individuals are ineligible for remuneration if their membership on the board/committee is considered to be an integral part of their organisational role.
2. Remuneration amounts can vary depending on the type of remuneration, the number of meetings attended, and whether a member submitted a remuneration claim.
3. 'Period of membership' is defined as the period (in months) that an individual was a member of a board/committee during the 2013–14 financial year. If a member was ineligible to receive remuneration, their period of membership is immaterial to the remuneration amount and has been defined as 'Not applicable'

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