

Part 4

Deputy Premier; Minister for Health; Mental Health

Summary of Portfolio Appropriations

| Agency | 2016-17 Budget \$'000 | 2016-17 Estimated Actual '000 | 2017-18 Budget Estimate '000 |
|--|-----------------------------|--|---------------------------------------|
| WA Health | | | |
| – Delivery of Services | 5,056,078 | 5,139,298 | 5,053,178 |
| – Capital Appropriation | 188,049 | 157,810 | 186,194 |
| Total | 5,244,127 | 5,297,108 | 5,239,372 |
| Mental Health Commission | | | |
| – Delivery of Services | 669,489 | 684,695 | 706,470 |
| – Administered Grants, Subsidies and Other Transfer Payments | 7,569 | 7,569 | 7,539 |
| Total | 677,058 | 692,264 | 714,009 |
| GRAND TOTAL | | | |
| – Delivery of Services | 5,725,567 | 5,823,993 | 5,759,648 |
| – Administered Grants, Subsidies and Other Transfer Payments | 7,569 | 7,569 | 7,539 |
| – Capital Appropriation | 188,049 | 157,810 | 186,194 |
| Total..... | 5,921,185 | 5,989,372 | 5,953,381 |

Division 8 WA Health

Part 4 Deputy Premier; Minister for Health; Mental Health

Appropriations, Expenses and Cash Assets (a)

| | 2015-16 Actual \$'000 | 2016-17 Budget (b) \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|-----------------------------|---------------------------------|--|---|--|--|--|
| DELIVERY OF SERVICES | | | | | | | |
| Item 11 Net amount appropriated to deliver services (c) | 4,722,430 | 4,919,644 | 5,018,582 | 4,919,381 | 4,846,736 | 4,916,366 | 5,009,135 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Lotteries Commission Act 1990 | 129,750 | 135,718 | 120,000 | 133,081 | 137,407 | 140,887 | 140,887 |
| - Salaries and Allowances Act 1975 | 697 | 716 | 716 | 716 | 716 | 716 | 716 |
| Total appropriations provided to deliver services..... | 4,852,877 | 5,056,078 | 5,139,298 | 5,053,178 | 4,984,859 | 5,057,969 | 5,150,738 |
| CAPITAL | | | | | | | |
| Item 91 Capital Appropriation | 146,494 | 188,049 | 157,810 | 186,194 | 71,758 | 48,184 | 27,721 |
| TOTAL APPROPRIATIONS | 4,999,371 | 5,244,127 | 5,297,108 | 5,239,372 | 5,056,617 | 5,106,153 | 5,178,459 |
| EXPENSES | | | | | | | |
| Total Cost of Services | 8,418,880 | 8,568,073 | 8,818,315 | 8,942,527 | 8,781,051 | 8,995,661 | 9,222,843 |
| Net Cost of Services (d) | 4,931,229 | 5,129,709 | 5,108,701 | 5,130,724 | 5,081,464 | 5,155,955 | 5,245,999 |
| CASH ASSETS (e) | 678,096 | 596,566 | 635,317 | 507,219 | 432,758 | 431,625 | 431,625 |

- (a) The 2015-16 Actual has been restated for comparability purposes to account for the transfer of the Office of Chief Psychiatrist to the Mental Health Commission as shown in the reconciliation table.
- (b) The 2016-17 Budget figure for Net Cost of Services differs from previously published figures due to a change in calculation methodology.
- (c) The Department's net amount appropriated to deliver services from the 2016-17 Estimated Actual onwards includes the transfer of appropriation for staff reallocated from the Department of Finance to various agencies in response to changes to government procurement policy.
- (d) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (e) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since the publication of the 2016-17 Pre-Election Financial Projections Statement on 9 February 2017, are outlined below:

| | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|--|---|--|--|--|
| Adjustments to Public Hospital Services and Non-Hospital Services | | | | | |
| Hospital Services - Revised Activity and Cost Settings | - | 246,009 | 214,757 | 182,252 | 152,188 |
| Realignment of Non-Hospital Services Expenditure | - | (91,017) | (334,831) | (304,587) | (246,385) |
| Commonwealth Grant Expenditure | | | | | |
| Essential Vaccines | - | 27 | 27 | 27 | 750 |
| Hepatitis C Drug Program | (67,130) | (68,640) | (70,356) | (72,115) | (72,115) |
| Home and Community Care | - | (17,745) | (273,386) | (273,386) | (273,386) |
| Mental Health Respite - Carer Support Agreement | - | 385 | - | - | - |
| Multi-purpose Services Program Agreement | - | 28,161 | 28,161 | - | - |
| National Partnership Agreement on Pay Equity for the Social and Community Services Sector | - | 14,664 | - | - | - |
| Organ and Tissue Donation Agreements | - | 3,973 | - | - | - |
| Election Commitments | | | | | |
| Expand the Ear Bus Program | - | 822 | 842 | 864 | - |
| Find Cancer Early Program | - | 382 | 390 | 400 | 410 |
| Let's Prevent Program ^(a) | - | 611 | 624 | 427 | 437 |
| Meet and Greet Service for People from Remote Communities | - | 458 | 468 | 480 | 492 |
| Patient Opinion ^(a) | - | 193 | 198 | 203 | 208 |
| Peel Youth Medical Service Health Hub ^(a) | 4,995 | - | - | - | - |
| Urgent Care Clinics ^(a) | - | 2,000 | - | - | - |
| Other | | | | | |
| 2017-18 Tariffs, Fees and Charges | - | 6,522 | 7,180 | 8,102 | 9,109 |
| Agency Expenditure Review Savings Measure - Non-Hospital Expenditure | - | (47,481) | (52,496) | (48,275) | (50,454) |
| Busselton Information and Communications Technology | (1,045) | 1,000 | - | - | - |
| Conversion of Recurrent Allocation to Capital to Continue the Rollout of the Patient Administration System | (1,370) | (10,827) | (1,473) | - | - |
| Freeze Salaries and Allowances Tribunal Determined Salaries | - | (11) | (22) | (33) | (44) |
| Non-Government Human Services Sector Indexation Adjustment | - | (4,426) | (5,353) | (5,516) | (5,718) |
| Perth Children's Hospital - Capella Parking | - | 2,289 | - | - | - |
| Perth Children's Hospital - Commissioning | - | 15,963 | - | - | - |
| Revision to Indexation for Non-Salary Expenses | - | (4,077) | (7,867) | (10,797) | (16,758) |
| Sarich Neuroscience Research Institute | - | (1,500) | - | - | - |
| Southern Inland Health Initiative District Medical Workforce Investment Program | - | - | - | 33,000 | 33,000 |
| Transfer of Funds to Health and Disability Services Complaints Office | - | (50) | (50) | (50) | (50) |
| Update to Depreciation Expense | (44,143) | 3,865 | (745) | 7,633 | (31,117) |

(a) Existing agency spending has been reprioritised to meet some or all of the costs of this commitment.

Significant Issues Impacting the Agency

Health System Overview

- Western Australia has a strong public health system that has benefited from continued investment by the Government in public health services.
- This investment has delivered sustained improvements in health outcomes, including higher life expectancy, a decreasing infant mortality rate, the second lowest median wait time for elective surgery nationally, and the best emergency department performance in the country, as evidenced by the following:
 - Life expectancy at birth rose for the Western Australian population between 2005 and 2015 and was higher for both males and females compared to the national average.¹
 - Between 2005 and 2015, the infant mortality rate in Western Australia fell from 4.6 to 2.5 deaths per 1,000 live births. Over the same period, the Australian rate fell from 4.9 deaths to 3.2.²
 - In 2015 the Western Australian standardised death rate was the second lowest in Australia. Only the Australian Capital Territory recorded a lower standardised death rate.³
 - In 2015-16, Western Australia was ranked first among the states and territories for the proportion of presentations to emergency departments with a length of stay of four hours or less (76% compared to the national average of 73.3%).⁴
 - The median waiting time for elective surgery in 2015-16 is 30 days in Western Australia. This is lower than the national average of 37 days and one of the lowest compared with other jurisdictions.⁵
 - In 2015-16, Western Australia was the second best performing state, with a public hospital average length of stay of 2.9 days, which is below the national average of 3.2 days.⁶
- Significant Government investment in health infrastructure over recent years has also provided world class facilities and enabled reconfigured services to meet growing demand and delivery of patient care closer to home. The successful commissioning of the Fiona Stanley Hospital (FSH), the St John of God Midland Public Hospital, expansion of the Joondalup Health Campus (JHC), as well as significant investment in new and upgraded facilities, especially in the regional resource centres in country Western Australia is testament to this effort. The successful commissioning and transition of services to the Perth Children's Hospital (PCH) remains a key priority focus for Government and will complete the program of major health infrastructure projects.
- By responding to issues associated with access to both primary and residential aged care, provision of regional health care has been transformed through the Southern Inland Health Initiative and investment in Telehealth to improve access to specialist services for those living in remote areas.
- A comprehensive 'Review of Safety and Quality in the WA Health System' (the Review) was conducted and finalised in 2017 in recognition of the need for continuous and sustained improvement in safety and quality. The Review's recommendations and findings are structured around the key areas of focus, namely: roles, responsibilities, and accountabilities; governance structures, groups and committees; system wide policies and standards; system oversight and assurance; and, system wide priorities for quality and safety. The Review was completed as part of Government's ongoing pursuit of clinical excellence as well as its commitment to delivering safe and effective patient care.
- Notwithstanding the large scale investment in the health system and the resultant improvement in system performance, the face of health care is changing in line with the changing needs and expectations of communities, patients and care providers.

¹ Australian Bureau of Statistics (ABS) 2016, Life Tables, States, Territories and Australia 2013-15 (cat no. 3302.0.55.001) (Summary) Table 1.1.

² ABS 2016, Deaths, Australia, 2015 (cat no.3302.0), ABS. Stat. Infant deaths and infant mortality rates, Year of registration, Age at death, Sex, States, Territories and Australia.

³ ABS 2016, Deaths, Australia, 2015 (cat no 3302.0) Death Rates. Chart 1.4.

⁴ Australian Institute of Health and Welfare (AIHW) 2016, Emergency department care 2015-16: Australian hospital statistics (p.62).

⁵ AIHW 2016, Elective surgery waiting times 2015-16: Australian hospital statistics (p.29).

⁶ AIHW 2016, Admitted patient care 2015-16: Australian hospital statistics (p. 33).

- WA Health is under sustained pressure as the demand for health services continues to grow at a rate that exceeds sustainable capacity. Demand for health care is impacted by trends in underlying demographics, including population growth, an ageing population, increasing incidence of chronic illness, low access to primary health care, as well as a noticeable shift in the demand for patient care services from private to public hospitals. Such trends are evidenced by the following:
 - From 2006-07 to 2015-16 the population in Western Australia has grown by 21.5% compared with a nationwide growth rate of 16.2%⁷. Whilst the population growth rate has declined in recent years, the high historical growth has had an impact on the demand for public health services. Within this growth, the number of Western Australians aged 65 and over increased from 249,584⁸ to 346,525⁸, a 38.8%⁸ increase compared with a national increase of 34.2%⁹, resulting in greater utilisation of hospital services by this cohort of the population.
 - Chronic diseases are the leading cause of illness, disability and death in Australia. Medical and technological advancement in the prevention and treatment of chronic conditions has contributed to a significant reduction in the mortality rate for major chronic disease categories and, consequently, a sustained increase in the life expectancy of the population. Chronic diseases are now more common and cause most of the burden of ill health, further fuelling the demand for health services. In 2015-16, 44.8% of all potentially preventable hospitalisations in Western Australia were due to chronic conditions.
 - The utilisation of hospital services in Western Australia is also impacted by lower access to primary care services provided by General Practitioners (GP). The number of GP services in Western Australia (per 100,000 population) is 77¹⁰, significantly below the national average of 95.1, with this difference being more prevalent over the last five years from 2010-11 to 2015-16.
 - Although WA Health has high performance in elective surgery wait times compared to other jurisdictions, there are still a record number of patients on the wait list and demand continues to rise.
 - The general softening of economic conditions in Western Australia is driving a noticeable shift in the demand for patient care services from private to public hospitals.
 - Furthermore, due to Commonwealth policy changes, Western Australia has received less than the national average:
 - Pharmaceutical Benefit Scheme funding per capita in 2015-16 of \$270 compared to \$332 nationally, with the gap significantly widening over the last 10 years;
 - Medicare Benefit Scheme funding per capita in 2015-16 of \$670 compared to \$867 nationally, with the gap significantly widening over the last 10 years; and
 - Aged Care funding per capita in 2014-15 of \$585 compared to \$663 nationally.
- Commensurate with the increasing demands placed on the health system is the significant increase in the cost of providing health services over the past decade.
- Health expenditure growth averaged 8% from 2008-09 to 2016-17. Over the same period health expenditure as a proportion of General Government expenditure increased from 24.9% to 29.7%.
- Significant inroads have been made in recent years to arrest the growth in health expenditure and put WA Health on a financially sustainable path through a combination of strong leadership, governance and policy changes. In particular, implementation of various short-term financial strategies has seen a turnaround in WA Health's financial performance, whilst still ensuring that the health care needs of Western Australians are met. Expenditure growth in 2015-16 and 2016-17 averaged 4.8%, significantly lower than the historical average. Expenditure is now projected to grow at an average of only 1% from 2017-18 to 2020-21.
- A new contemporary Outcome Based Management (OBM) Framework has been implemented that will improve how WA Health describes the services it delivers and how it reports its effectiveness and efficiency in delivering these services with public monies.
- Notwithstanding the recent improvements, further work remains necessary to ensure that the Western Australian health system is placed on a sustainable footing in the provision of high quality care into the future while meeting the expectations of health care consumers.

⁷ ABS 2016, Australian Demographic Statistics (cat no. 3101). Estimated Resident Population, States and Territories (Number), Table 4.

⁸ ABS 2016, Australian Demographic Statistics (cat no. 3101). Estimated Resident Population By Single Year of Age, Western Australia, Table 55.

⁹ ABS 2016, Australian Demographic Statistics (cat no. 3101). Estimated Resident Population By Single Year of Age, Australia, Table 59.

¹⁰ Department of Health, GP Workforce Statistics, Australian Government 2016, Table 1.

Looking Ahead – Sustainable Health Review

- A review of the Western Australian health system has not been undertaken since 2004, when the Government laid the foundation for a revitalised health system with the initiation of the Reid Review.¹¹
- The Reid Review set the strategic direction for health infrastructure which led to the successful commissioning of major hospitals and the reconfiguration of services. The Government is now focused on ensuring that Western Australian hospitals are sustainable in the future.
- As part of its election commitments, Government is conducting a Sustainable Health Review (SHR) of health services in Western Australia, in order to ensure the continued viability of the Western Australian health system into the future.
- The SHR will investigate the measures needed to drive change and innovation across the health system and will provide advice on how the system can deliver more patient centred, integrated, high quality and financially sustainable health care across the State.
- The Government will use the SHR to inform future decisions about the way health care is managed and delivered to ensure that Western Australians are receiving quality health care that can be sustained for future generations.
- The SHR will provide a robust long-term strategy for the Western Australian health system, including a shift of focus from expensive tertiary care to patient centred care, and better step-down, sub-acute and community care.
- The Government has appointed an experienced panel to undertake the SHR, chaired by an independent expert, and includes the Director General of the Department of Health and the Under Treasurer, as well as clinical, consumer and employee representatives as members.
- The panel will engage widely with patients and carers, clinicians, frontline staff and other stakeholders to ensure the right ideas, views and perspectives are considered.
- The panel will provide advice to Cabinet through the Minister for Health with a Final Report due in 2018.
- Concurrent with the SHR and part of Government's election commitments, a Commission of Inquiry into 26 Government programs and projects, some of which are in WA Health, has been announced.
- A biennial Ministerial Roundtable will be established to discuss primary health issues.
- While implementing these initiatives, the Government will continue to support WA Health in ensuring that Western Australians have access to safe and high quality health care.

Continued Investment in Public Hospital Services

- The Government has provided almost \$9 billion in 2017-18 to WA Health to deliver safe, quality, financially sustainable and accountable health care for all Western Australians.
- A total of \$6.4 billion or 71% of the 2017-18 Budget will be allocated to hospital services. The Government's commitment will provide for an expense growth rate of 2.5% (\$155.2 million) for Public Hospital Services in 2017-18 relative to estimated actual expenditure in 2016-17.
- The Government's funding contribution to public hospitals continues to be determined on an activity basis with the Government endorsing the purchase of weighted activity units (WAUs). For 2017-18, the Government has approved the purchase of 907,938 WAUs for the State's public funded hospitals, representing an increase of 1.9% over estimated actual activity in 2016-17. The price determined for 2017-18 activity is \$6,129 for each WAU and is set using Government endorsed cost parameters.
- The investment in Public Hospital Services in 2017-18 is estimated to provide for over 652,000 inpatient episodes of care. This represents an increase of 1.4% when compared to 643,000 inpatient episodes of care in 2016-17.
- In 2016-17, 1,026,000 episodes of care were provided in emergency departments and 2,422,000 service events in outpatient clinics and community settings. Comparatively, it is estimated that the 2017-18 investment will provide for over 1,052,000 emergency department episodes of care and over 2,434,000 service events in outpatient clinics and community settings.
- The 2017-18 Budget also includes a range of Government election commitments aimed at building a better health system for patients.

¹¹ The Reid Review refers to the report 'A Healthy Future for Western Australians'. This report was delivered by the Health Reform Committee, appointed in March 2003 by the Government, in response to a request to develop a vision for the Western Australian health system while ensuring that the growth of the health budget was sustainable.

Election Commitments to Build a Better Health System for Patients

Putting Patients First

- The Government is committed to putting patients first by being accountable through feedback and ongoing conversations to ensure that patients have a say in the way care is provided to them. The Government, as part of their election commitment Patient Opinion Improving our Public Hospitals, will support WA Health to establish and roll out a smartphone accessible 'patient opinion' system across all hospitals through internal funding of \$0.8 million over four years. Providing patients with a feedback tool will allow them to make comments about good care and issues that need improvement, in order to improve patient care and drive advancements in the health system.

Promoting the Health of Western Australians

- The Government has committed to delivering the Let's Prevent Program, a pilot program to educate and encourage participants to make the changes necessary to avoid chronic conditions which have the potential for significant impact on their lives. A total of \$2.1 million over four years will be used to fund the pilot program from within existing resources.
- The Government is committed to reducing cancer deaths by expanding the Find Cancer Early Program (FCEP) currently run by the Cancer Council Western Australia, which provides community education about the early signs and symptoms of bowel, lung, prostate, breast and skin cancer. This commitment will allow the FCEP to expand into more regional areas with funding of \$1.6 million provided over four years from Royalties for Regions.
- Given widespread public interest in having access to medicinal cannabis for symptomatic treatment of conditions such as chronic pain, chemotherapy induced nausea and vomiting, multiple sclerosis and treatment resistant epilepsy, the Government is committed to assisting people with painful terminal or chronic pain conditions to access medicinal cannabis, by supporting the prescription of medicinal cannabis under the strict supervision of medical practitioners.
- In helping to tackle the detrimental effects of smoking on the health and wellbeing of Western Australians, the Government will undertake Tobacco Law Reform, aimed at improving existing tobacco laws and the policing of the sale, supply and marketing of tobacco products and reducing exposure to second-hand smoke. The Government will also continue to support a number of programs with the aim of reducing smoking in Aboriginal communities.
- Noting that health professionals are in a unique position to identify and respond to family and domestic violence as victims interact or seek treatment, the Government will work with the Commonwealth Government to increase training programs for health workers and GPs to identify signs of family and domestic violence and enable appropriate measures to be taken.
- Planning for a Future Health and Research Fund is being progressed to drive medical research and medical innovation. This commitment will provide a secure source of funding to develop a Western Australian research capability of excellent individuals and teams, high quality infrastructure and world first clinical studies for patients to improve the future health of all Western Australians. This will include the development of a 10 year cancer research fund and an innovation hub at Royal Perth Hospital (RPH) to provide collaborative accommodation and services to start ups and established medical innovation companies, linked to other state and regional medical technology centres.

Rural Health

- The Government is committed to a range of initiatives to continue improving the provision of health care in country Western Australia. The following commitments will be implemented in the shorter term:
 - \$1.9 million of additional funds will be invested to expand the Meet and Greet Service offered by Government for people travelling to Perth from rural and remote areas for medical treatment.
 - The Government will invest in expanding the Ear Bus Program by investing \$2.8 million over three years, to provide an ear screening service in the Kimberley, targeting areas of unmet demand.
- A number of commitments towards rural health care will require significant planning and will be rolled out in the longer term, these include:
 - Valley View Residence, an aged care facility in Collie, will be upgraded in order to continue providing services and certainty to residents and service providers in the future.
 - Bunbury Hospital will be upgraded with a focus on expanding the priority clinical areas of medical assessment, theatres and maternity.
 - A Review of Regional and Country Ambulance and Royal Flying Doctors Service (RFDS) will be conducted to review the services provided by the RFDS and to ensure volunteers and frontline paramedics have the support they need to continue to respond to emergency situations.

- Planning for the redevelopment of Geraldton Regional Hospital has commenced. The redevelopment will include an upgrade of the emergency department (ED), a Mental Health Observation Area for mental health and drug and alcohol patients in the ED, 12 new acute mental health beds and eight sub-acute beds.
- Collie Hospital will be upgraded to meet contemporary standards through the refurbishment of the general ward and the theatre ward, and upgrades to the kitchen and other ageing site infrastructure.
- A renal dialysis service at Newman Hospital will be implemented and will include two chairs plus capacity for another two chairs if warranted.
- A Kimberley dialysis unit will be established to provide lifesaving mobile dialysis to remote communities during the dry season, along with a preventative education program.
- A Magnetic Resonance Imaging (MRI) Scanner at Kalgoorlie Health Campus will be installed to improve the service profile for the Medical Imaging Department and provide a much needed service in this regional resource centre. This will also act to reduce referrals for MRI scans to metropolitan facilities.

Making Care More Accessible

- The Government has committed to developing Western Australia's first Medihotels. These are specialist hotels designed to offer accommodation to patients who do not require hospital admission before, during or after treatment. In addition to delivering a better experience for patients, avoiding the full cost of inpatient care for recuperating patients will also free up hospital beds so more patients can be treated. Medihotels will be established adjacent to three of Perth's tertiary hospitals namely the RPH, FSH, and JHC. Work will begin on Western Australia's first Medihotel next year, with the FSH adjoined facility expected to open by 2021. This Medihotel will provide support for both FSH and St John of God Hospital.
- The Government will develop Urgent Care Clinics (UCCs) based at major hospitals and in the wider community to take pressure off busy emergency departments. The UCCs will provide multiple clinical services out of hours to patients with non-life-threatening illness or injury. Planning of the UCCs is underway, including a consultation strategy to support their development and implementation as well as identification of suitable sites to implement a UCC pilot scheme.
- The Government will make aged care more available by fast tracking the establishment of additional aged care facilities to free up public hospital beds and improve the quality of life for the elderly. This includes identifying land that may be a suitable site for aged care facilities; removing existing planning and local government impediments to facilitate the construction of more aged care facilities; and assessing existing Government buildings and assets to determine whether they are suitable to be converted into aged care facilities. Osborne Park Hospital and a Kalamunda site are being considered for possible aged care facilities as part of this election commitment.
- The Government is committed to the expansion and upgrade of a number of metropolitan hospitals. These initiatives will require longer term planning and consideration prior to implementation and include:
 - JHC Expansion which will include an increase in the size of the emergency department, the opening of an additional 90 public beds, eight new operating theatres, up to 30 additional mental health beds, and a six bed stroke unit.
 - Upgrades to the RPH over the coming years, including the creation of a Western Australian Innovation Centre, a Mental Health Observation Area, a culturally appropriate housing facility for regional Aboriginal Australians visiting family receiving care at RPH, a Medihotel and a UCC.
 - A Fremantle Hospital Review will be undertaken to examine the services offered, as well as the potential to sell parts of the site.
 - Upgrades to the Osborne Park Hospital neonatal unit and midwifery service, as well as an increased number of rehabilitation beds.
 - Establishment of a new on-site Family Birth Centre at FSH for women with low-risk pregnancies, with the aim of providing midwifery-led care throughout their pregnancy, birth and post-delivery.

Mental Health

- In addition to the Mental Health Observation Areas that will be implemented in selected metropolitan and regional hospitals, the Government's commitment to expanding and improving mental health services through key initiatives is demonstrated by:
 - Commencement of planning for the implementation of 50 new acute Mental Health Beds at JHC, Geraldton Health Campus and other sites.
 - Allocation of funding and commencement of planning for the establishment of greater Youth Health and Mental Health Services in the Peel region, with the creation of a single youth health service hub. The Peel health hub will operate under a GP centred model of care providing services to 12-24 year olds dealing with drug and alcohol issues, mental health issues, family dysfunction and homelessness. A \$5 million capital grant will be provided to GP Down South to support construction of the hub. An additional \$2 million will be provided by the Commonwealth Government for this project.
 - The Government is supporting the development of the State's Men's Health and Wellbeing Policy to align with the National Male Health Policy.

Workforce

- The Government's support for WA Health's workforce aims to improve the effectiveness, safety and sustainability of the health workforce. A number of initiatives intended to achieve this will be implemented over the forward estimates, including protection for frontline security staff at major hospitals through provision of protective anti-stab vests, and funding for personal mobile duress alarms for public health workers at risk, especially those doing home visits alone and those working at remote nursing posts.

Supporting the Ongoing Delivery of Quality Health Care

- The Government will continue supporting WA Health in the ongoing delivery of quality health care. The 2017-18 Budget provides for the following initiatives in order to achieve this:
 - Infrastructure maintenance with respect to fire safety risks will be conducted at RPH through capital funding of \$10 million over four years reprioritised from within WA Health's Asset Investment Program. These works will ensure that RPH complies with the accreditation requirements of the Australian Council of Healthcare Standards, and will confirm that RPH is well placed to continue delivering safe, high quality, sustainable health care to Western Australians.
 - The procurement of the da Vinci Surgical System at FSH will enable state-of-the-art, minimally invasive surgery with capital funds provided of \$5 million in 2017-18. This robotic system, which provides 3D vision and magnification capabilities, results in patients having faster recovery times, as well as generating cost savings due to improved surgical outcomes.
 - The replacement and upgrade of information communications technology (ICT) equipment and assets at FSH during 2017-18 will be undertaken through capital investment of \$13.6 million. The replacement of these assets will enhance clinical performance and provide support to enable the delivery of health care in an efficient and effective manner.
 - The relocation of the Fremantle General Dental Clinic to a refurbished ward in Fremantle Hospital will be conducted through capital investment of \$3 million in 2017-18. This new arrangement will provide support for special needs patients and patients utilising motorised wheelchairs.
 - WA Health will reprioritise \$13.7 million of recurrent expenditure towards ICT improvement in relation to the continued rollout of WA Health's Patient Administration System. This system will provide a standardised platform for patient administration within WA Health's hospitals and will replace a heavily outdated administration system, safeguarding hospital business continuity and lowering operating costs by removing the duplication of support services.
 - The Government will continue to support preventative health initiatives through the Western Australian Meningococcal ACWY Vaccination Program. Western Australia is leading the way with the timely rollout of this program with other States following. This Vaccination Program, targeting 15-19 year olds, will improve vaccination rates in our schools to help control recent outbreaks of the illness.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

WA Health has introduced a new Outcome Based Management (OBM) Framework, which came into effect in the 2017-18 financial year. For consistency, the 2015-16 Actuals, 2016-17 Budget and 2016-17 Estimated Actual are restated based on the 10 services under the new OBM framework as shown in the Service Summary table below. Implementation of the new OBM Framework resulted in the realignment of budget settings between hospital and non-hospital services, based on actual costs under the new OBM Framework. Accordingly, the 2017-18 Budget is not comparable to the 2016-17 Budget.

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

| Government Goal | Desired Outcomes | Services |
|--|--|--|
| Strong Communities: Safe communities and supported families. | Public hospital based services that enable effective treatment and restorative health care for Western Australians. | 1. Public Hospital Admitted Services 2. Public Hospital Emergency Services 3. Public Hospital Non-Admitted Services 4. Mental Health Services |
| | Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives. | 5. Aged and Continuing Care Services 6. Public and Community Health Services 7. Community Dental Health Services 8. Small Rural Hospital Services |
| Sustainable Finances: Responsible financial management and better service delivery. | Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system. | 9. Health System Management – Policy and Corporate Services 10. Health Support Services |

Service Summary

| Expense | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|------------------|------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Actual \$'000 | Budget \$'000 | Estimated Actual \$'000 | Budget Estimate \$'000 | Forward Estimate \$'000 | Forward Estimate \$'000 | Forward Estimate \$'000 |
| 1. Public Hospital Admitted Services | 4,066,039 | 3,764,950 | 4,034,735 | 4,253,002 | 4,391,954 | 4,540,322 | 4,696,279 |
| 2. Public Hospital Emergency Services | 692,596 | 730,497 | 761,847 | 804,479 | 830,763 | 858,828 | 888,328 |
| 3. Public Hospital Non-Admitted Services..... | 723,344 | 816,077 | 792,978 | 838,848 | 866,255 | 895,519 | 926,279 |
| 4. Mental Health Services | 681,055 | 704,219 | 688,913 | 715,431 | 734,400 | 755,252 | 778,183 |
| 5. Aged and Continuing Care Services..... | 520,432 | 572,383 | 548,671 | 485,156 | 180,172 | 170,714 | 160,859 |
| 6. Public and Community Health Services..... | 950,859 | 1,167,524 | 1,134,991 | 1,038,497 | 992,398 | 986,982 | 981,583 |
| 7. Community Dental Health Services | 105,439 | 102,210 | 111,224 | 110,192 | 105,300 | 104,726 | 104,153 |
| 8. Small Rural Hospital Services | 247,419 | 267,639 | 291,353 | 264,304 | 252,572 | 251,194 | 249,820 |
| 9. Health System Management - Policy and Corporate Services..... | 195,854 | 200,083 | 198,427 | 194,425 | 185,795 | 184,781 | 183,770 |
| 10. Health Support Services..... | 235,843 | 242,491 | 255,176 | 238,193 | 241,442 | 247,343 | 253,589 |
| Total Cost of Services | 8,418,880 | 8,568,073 | 8,818,315 | 8,942,527 | 8,781,051 | 8,995,661 | 9,222,843 |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2015-16 Actual ^(b) | 2016-17 Budget | 2016-17 Estimated Actual ^(b) | 2017-18 Budget Target | Note |
|---|----------------------------------|-------------------|---|-----------------------------|------|
| Outcome: Public hospital based services that enable effective treatment and restorative health care for Western Australians: | | | | | |
| Proportion of elective wait list patients waiting over boundary for reportable procedures ^{(c) (d)} | | | | | |
| % category 1 over 30 days | 12.9% | nil | 16.3% | nil | |
| % category 2 over 90 days | 14.6% | nil | 16.8% | nil | |
| % category 3 over 365 days | 1.9% | nil | 2.6% | nil | |
| Survival rates for sentinel conditions ^{(c) (d) (e) (f)} | | | | | |
| Stroke | | | | | |
| 0-49 years | 95.1% | 95.1% | 94.1% | 94.3% | |
| 50-59 years | 93.3% | 93.3% | 95.5% | 92.4% | |
| 60-69 years | 92.9% | 93.4% | 93.4% | 92.8% | |
| 70-79 years | 90.5% | 91.4% | 92% | 89.5% | |
| 80+ | 83% | 83% | 85.3% | 80.9% | |
| Acute Myocardial Infarction (AMI) | | | | | |
| 0-49 years | 99.3% | 99.6% | 99.1% | 99.2% | |
| 50-59 years | 98.8% | 99% | 99.1% | 98.9% | |
| 60-69 years | 98.3% | 98.7% | 98.3% | 98.1% | |
| 70-79 years | 96.3% | 96.8% | 96.1% | 96.1% | |
| 80+ | 92.4% | 92.9% | 90.9% | 91.7% | |
| Fractured Neck of Femur (FNOF) | | | | | |
| 70-79 years | 98.8% | 99.6% | 98.5% | 98.9% | |
| 80+ | 95.8% | 96.6% | 97% | 95.3% | |
| Percentage of live-born infants with an Apgar score of less than 7 at five minutes post-delivery ^{(d) (e) (g)} | | | | | |
| | 1.6% | ≤1.8% | 1.5% | ≤1.8% | |
| Outcome: Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives: | | | | | |
| Rate of total hospital readmissions within 28 days to an acute designated mental health inpatient unit ^{(c) (d) (e)} | | | | | |
| | 18.4% | ≤12% | 17.4% | ≤12% | |
| Percentage of fully immunised children ^{(e) (h)} | | | | | |
| 12 months | | | | | |
| Aboriginal | 83.4% | ≥90% | 88% | ≥95% | |
| Non-Aboriginal | 92.6% | ≥90% | 93.2% | ≥95% | |
| 2 years | | | | | |
| Aboriginal | 83.2% | ≥90% | 83.8% | ≥95% | |
| Non-Aboriginal | 88.4% | ≥90% | 90.5% | ≥95% | |
| 5 years | | | | | |
| Aboriginal | 92% | ≥90% | 94.1% | ≥95% | |
| Non-Aboriginal | 91% | ≥90% | 91.3% | ≥95% | |
| Percentage of eligible school children who are enrolled in the School Dental Service program ⁽ⁱ⁾ | | | | | |
| | 80% | ≥69% | 80% | ≥69% | |
| Outcome: Strategic leadership, planning and support services that enable a safe, high quality and sustainable Western Australian health system: | | | | | |
| Percentage of responses from WA Health Service Providers and Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services ^(j) | | | | | |
| | n/a | ≥50% | 43.8% | ≥50% | |

- (a) Further detail in support of the key effectiveness indicators is provided in the agency’s Annual Report.
- (b) The reported 2015-16 Actual should be interpreted with caution as it is based on previously unpublished and unaudited data. The reported 2016-17 Estimated Actual should be interpreted with caution at this time as it is based on previously unpublished and unaudited data and on preliminary data for the financial year to be subject to further validation.
- (c) Reported by North Metropolitan Health Service (NMHS), South Metropolitan Health Service (SMHS), East Metropolitan Health Service (EMHS), Child and Adolescent Health Service (CAHS) and WA Country Health Service (WACHS).
- (d) KPI data include services delivered through State public hospitals and services contracted from selected private hospitals.
- (e) KPI is reported for the calendar year.
- (f) 2016-17 Budget is calculated using the best result recorded in Western Australia for the period 2011-2015. Where a result of 100% is obtained, the next best result is adopted to address the issue of result variability associated with small numbers. 2017-18 Budget Target is the average Western Australian result for five previous calendar year periods excluding the most recent calendar year. Annual targets are set up for metropolitan Health Services and WACHS. CAHS only caters to 0-17 year olds.
- (g) Reported by NMHS, SMHS, EMHS and WACHS.
- (h) This is a State-wide service for Western Australian co-ordinated and reported by the Department of Health.
- (i) 2015-16 Actual is for 2015 calendar year. As of 2016-17, Estimated Actual is based on financial year enrolled figures. KPI is reported by NMHS.
- (j) This KPI was established and reported for the first time in 2016-17. As such, there is limited historical data for benchmarking purposes. In subsequent reporting years, it is intended to use historical data to develop baseline measures for performance improvement purposes.

Services and Key Efficiency Indicators

1. Public Hospital Admitted Services

The provision of healthcare services to patients in metropolitan and major rural hospitals that meet the criteria for admission and receive treatment and/or care for a period of time, including public patients treated in private facilities under contract to WA Health. Admission to hospital and the treatment provided may include access to acute and/or sub-acute inpatient services, as well as hospital in the home services. Public Hospital Admitted Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to admitted services. This Service does not include any component of the Mental Health Services reported under 'Service 4 - Mental Health Services'.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 4,066,039 | 3,764,950 | 4,034,735 | 4,253,002 | |
| Less Income..... | 1,549,405 | 1,576,311 | 1,704,453 | 1,743,686 | |
| Net Cost of Service..... | 2,516,634 | 2,188,639 | 2,330,282 | 2,509,316 | |
| Employees (Full Time Equivalents)..... | 17,827 | 17,964 | 17,240 | 17,400 | |
| Efficiency Indicator | | | | | |
| Average Admitted Cost per Weighted Activity Unit..... | \$6,718 | \$6,423 | \$6,755 | \$6,868 | |

2. Public Hospital Emergency Services

The provision of services for the treatment of patients in emergency departments of metropolitan and major rural hospitals, inclusive of public patients treated in private facilities under contract to WA Health. The services provided to patients are specifically designed to provide emergency care, including a range of pre-admission, post-acute and other specialist medical, allied health, nursing and ancillary services. Public Hospital Emergency Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to emergency services. This Service does not include any component of the Mental Health Services reported under 'Service 4 - Mental Health Services'.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 692,596 | 730,497 | 761,847 | 804,479 | |
| Less Income..... | 260,252 | 254,837 | 279,194 | 285,788 | |
| Net Cost of Service..... | 432,344 | 475,660 | 482,653 | 518,691 | |
| Employees (Full Time Equivalents)..... | 2,533 | 2,552 | 2,376 | 2,399 | |
| Efficiency Indicator | | | | | |
| Average Emergency Department Cost per Weighted Activity Unit..... | \$6,064 | \$6,202 | \$6,451 | \$6,642 | |

3. Public Hospital Non-Admitted Services

The provision of metropolitan and major rural hospital services to patients who do not undergo a formal admission process, inclusive of public patients treated by private facilities under contract to WA Health. This Service includes services provided to patients in outpatient clinics, community based clinics or in the home, procedures, medical consultation, allied health or treatment provided by clinical nurse specialists. Public Hospital Non-Admitted Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to non-admitted services. This Service does not include any component of the Mental Health Services reported under 'Service 4 - Mental Health Services'.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 723,344 | 816,077 | 792,978 | 838,848 | |
| Less Income..... | 413,362 | 398,861 | 432,722 | 472,500 | |
| Net Cost of Service..... | 309,982 | 417,216 | 360,256 | 366,348 | |
| Employees (Full Time Equivalents)..... | 3,566 | 3,593 | 3,598 | 3,631 | |
| Efficiency Indicator | | | | | |
| Average Non-Admitted Cost per Weighted Activity Unit..... | \$6,374 | \$6,720 | \$6,522 | \$6,738 | |

4. Mental Health Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 681,055 | 704,219 | 688,913 | 715,431 | |
| Less Income..... | 644,457 | 663,358 | 674,163 | 693,983 | |
| Net Cost of Service..... | 36,598 | 40,861 | 14,750 | 21,448 | |
| Employees (Full Time Equivalents)..... | 4,049 | 4,080 | 3,980 | 4,017 | |
| Efficiency Indicators | | | | | |
| Average Cost per Bed-day in Specialised Mental Health Inpatient Units | \$1,539 | \$1,460 | \$1,439 | \$1,438 | |
| Average Cost per Treatment Day of Non-Admitted Care Provided by Public Clinical Mental Health Services..... | \$495 | \$526 | \$512 | \$535 | |

5. Aged and Continuing Care Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service..... | \$'000 520,432 | \$'000 572,383 | \$'000 548,671 | \$'000 485,156 | 1 |
| Less Income..... | 282,930 | 274,491 | 285,431 | 313,593 | |
| Net Cost of Service..... | 237,502 | 297,892 | 263,240 | 171,563 | |
| Employees (Full Time Equivalents)..... | 966 | 973 | 978 | 968 | |
| Efficiency Indicators | | | | | |
| Average Cost of a Transition Care Day Provided by Contracted Non-Government Organisations/Service Providers..... | \$310 | \$276 | \$277 | \$277 | |
| Average Cost per Bed-day for Specified Residential Care Facilities, Flexible Care (Hostels) and Nursing Home Type Residents..... | \$348 | \$337 | \$340 | \$321 | |
| Average Cost per Bed-day for Western Australian Quadriplegic Care Inpatient Services..... | \$597 | \$537 | \$796 | \$885 | 2 |
| Average Cost per Western Australian Quadriplegic Centre Community Client for Clinical and Related Services..... | \$90 | \$76 | \$84 | \$76 | |
| Average Cost per Client Who Receives Support Services from the Home and Community Care Program..... | \$4,072 | \$4,474 | \$4,122 | \$4,072 | |
| Average Cost per Home Based Hospital Day of Care and Occasion of Service... | | | | | |
| Average Cost per Home - Based Hospital Day of Care..... | \$302 | \$323 | \$323 | \$323 | |
| Average Cost per home - Based Occasion of Service..... | \$121 | \$130 | \$130 | \$130 | |
| Average Cost per Client Receiving Contracted Palliative Care Services..... | \$5,389 | \$6,702 | \$6,699 | \$6,701 | |
| Average Cost per Day of Care for Non-Acute Admitted Continuing Care..... | \$548 | \$552 | \$552 | \$552 | |
| Average Cost to Support Patients Who Suffer Specific Chronic Illness and Other Clients Who Require Continuing Care..... | \$32 | \$30 | \$31 | \$30 | |

Explanation of Significant Movements

(Notes)

1. The variance in the 2017-18 Budget Target compared to the 2016-17 Estimated Actual is a result of realignment of budget settings for hospital and non-hospital services based on the allocation of actual costs to the endorsed OBM Framework. This realignment has resulted in updated cost and budget allocation between budget parameters for non-hospital services and hospital services.
2. The variance between the 2016-17 Estimated Actuals and 2016-17 Budget in Average Cost per Bed-day for Western Australian Quadriplegic Centre Inpatient Services reflects a significant reduction in bed days as a consequence of a number of patients being transitioned into the community. The variance in the 2017-18 Budget Target and the 2016-17 Estimated Actual represents a further reduction in budgeted bed days.

6. Public and Community Health Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 950,859 | 1,167,524 | 1,134,991 | 1,038,497 | |
| Less Income..... | 143,519 | 128,661 | 156,032 | 120,097 | 1 |
| Net Cost of Service..... | 807,340 | 1,038,863 | 978,959 | 918,400 | |
| Employees (Full Time Equivalents)..... | 3,902 | 3,932 | 3,906 | 3,867 | |
| Efficiency Indicators | | | | | |
| Average Cost per Person of Delivering Population Health Programs by Population Health Units..... | \$115 | \$123 | \$121 | \$103 | 2 |
| Cost per Person of Providing Preventative Interventions, Health Promotion and Health Protection Activities that Reduce the Incidence of Disease or Injury | \$42 | \$37 | \$37 | \$37 | |
| Average Cost per Breast Screening | \$152 | \$172 | \$172 | \$157 | |
| Cost per Trip for Road Based Ambulance Services, Based on the Total Accrued Costs of These Services for the Total Number of Trips..... | \$455 | \$443 | \$443 | \$455 | |
| Cost per Trip of Patient Emergency Air-Based Transport, Based on the Total Accrued Costs of these Services for the Total Number of Trips | \$8,050 | \$8,042 | \$8,257 | \$7,235 | 3 |
| Average Cost per Trip of Patient Assisted Travel Scheme (PATS)..... | \$473 | \$446 | \$461 | \$377 | 4 |

Explanation of Significant Movements

(Notes)

1. The variance in the 2016-17 Estimated Actual compared to the 2016-17 Budget is principally due to additional capital funding relating to the Telethon Kids Institute. The decrease in 2017-18 Budget Target from the 2016-17 Estimated Actual is mainly due to the reduced contribution provided to the Department of Health by the Telethon Kids Institute for funding the fit-out of the Telethon Kids Institute in 2017-18.
2. The variance between the 2017-18 Budget Target and the 2016-17 Estimated Actual in Average Cost per Person of Delivering Population Health Programs by Population Health Units is a result of realignment the budget parameters for hospital and non-hospital services, coupled with a higher population in 2017-18.
3. The variance between the 2017-18 Budget Target and the 2016-17 Estimated Actual in Cost per Trip of Patient Emergency Air-Based Transport reflects a reduction in Royalties for Regions funding in 2017-18, with activity based on contracted values.
4. The variance between the 2017-18 Budget Target and the 2016-17 Estimated Actual for Average Cost per Trip of Patient Assisted Travel Scheme (PATS) reflects a redirection of allocation in 2017-18, with activity based on contracted values.

7. Community Dental Health Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 105,439 | 102,210 | 111,224 | 110,192 | |
| Less Income..... | 19,875 | 11,120 | 17,134 | 9,840 | 1 |
| Net Cost of Service..... | 85,564 | 91,090 | 94,090 | 100,352 | |
| Employees (Full Time Equivalents)..... | 711 | 716 | 707 | 700 | |
| Efficiency Indicators | | | | | |
| Average Cost per Dental Service Provided by the Oral Health Centre of Western Australia..... | \$152 | \$147 | \$151 | \$154 | |
| Average Cost per Patient Visit of WA Health Provided Dental Health Programs for: | | | | | |
| School Children..... | \$210 | \$190 | \$207 | \$208 | |
| Socio-Economically Disadvantaged Adults | \$295 | \$286 | \$303 | \$305 | |

Explanation of Significant Movements

(Notes)

- The increase in 2016-17 Estimated Actual relative to the 2016-17 Budget is the result of funding provided by the Commonwealth in 2016-17 for the Adult Public Dental program. The variance between the 2017-18 Budget Target and the 2016-17 Estimated Actual reflects the cessation of funding for this program in 2017-18.

8. Small Rural Hospital Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 247,419 | 267,639 | 291,353 | 264,304 | |
| Less Income..... | 164,361 | 124,213 | 154,004 | 161,875 | 1 |
| Net Cost of Service..... | 83,058 | 143,426 | 137,349 | 102,429 | |
| Employees (Full Time Equivalents)..... | 1,097 | 1,105 | 1,050 | 1,039 | |
| Efficiency Indicator | | | | | |
| Average Cost per Rural and Remote Population (Selected Small Rural Hospitals)..... | \$372 | \$378 | \$389 | \$390 | |

Explanation of Significant Movements

(Notes)

- The increase in the 2016-17 Estimated Actual relative to the 2016-17 Budget is due to additional funding of \$28 million for the Multi-Purpose Services Program.

9. Health System Management – Policy and Corporate Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service..... | \$'000 195,854 | \$'000 200,083 | \$'000 198,427 | \$'000 194,425 | |
| Less Income..... | 8,517 | 5,272 | 5,241 | 8,580 | 1 |
| Net Cost of Service..... | 187,337 | 194,811 | 193,186 | 185,845 | |
| Employees (Full Time Equivalents)..... | 934 | 941 | 829 | 755 | 2 |
| Efficiency Indicators | | | | | |
| Average Cost of Public Health Regulatory Services per Head of Population | \$4 | \$4 | \$4 | \$4 | |
| Average Cost per Full Time Equivalent Worker to Undertake the System Manager Role of Providing Strategic Leadership, Planning and Support Services to Health Service Providers..... | \$5,342 | \$5,422 | \$5,293 | \$5,394 | |

Explanation of Significant Movements

(Notes)

- The increase in income between the 2016-17 Estimated Actual and the 2017-18 Budget Target is the result of increases in recoveries revenue.
- The variance in System Policy and Corporate Services Employees in the 2016-17 Budget relative to the 2016-17 Estimated Actual is attributable to a Voluntary Severance Scheme in 2016-17, and the devolution of functions from the Department of Health to Health Service Providers.

10. Health Support Services

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

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service..... | \$'000 235,843 | \$'000 242,491 | \$'000 255,176 | \$'000 238,193 | |
| Less Income..... | 973 | 1,240 | 1,240 | 1,861 | 1 |
| Net Cost of Service..... | 234,870 | 241,251 | 253,936 | 236,332 | |
| Employees (Full Time Equivalents)..... | 1,003 | 1,010 | 1,026 | 1,015 | |
| Efficiency Indicators | | | | | |
| Average Cost of Accounts Payable Services per Transaction..... | - | \$5 | \$5 | \$5 | |
| Average Cost of Accounts Receivable Services per Transaction | - | \$27 | \$29 | \$28 | |
| Average Cost of Payroll and Support Services to Health Support Services' Clients..... | - | \$986 | \$1,024 | \$981 | |
| Average Cost of Supply Services by Purchasing Transaction | - | \$45 | \$47 | \$46 | |
| Average Cost of Providing ICT Services to Health Support Services' Clients | - | \$4,578 | \$4,848 | \$4,423 | |

Explanation of Significant Movements

(Notes)

- The increase in income from the 2016-17 Estimated Actual to the 2017-18 Budget Target is due to an increase in non-patient revenue from Australian Digital Health.

Asset Investment Program

To ensure that Western Australians have access to safe and quality health care delivered in world class health facilities, approximately \$6.3 billion has been committed for over 100 asset investment projects. This includes the upgrade and redevelopment of Western Australian hospitals and health related facilities. A key component of this investment is a significant injection of capital funding, via the Royalties for Regions program, into the redevelopment and expansion of country hospitals.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-17 \$'000 | 2016-17 Estimated Expenditure \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|-----------------------------------|--|---|---|--|--|--|
| WORKS IN PROGRESS | | | | | | | |
| Equipment | | | | | | | |
| Equipment Replacement Program..... | 437,423 | 402,709 | 24,957 | 29,973 | 4,741 | - | - |
| Medical Accounts Assessment System..... | 2,500 | 1,000 | 1,000 | 1,500 | - | - | - |
| Hospitals, Health Centres and Community Facilities | | | | | | | |
| Albany Hospice Car Park | 748 | 630 | - | 118 | - | - | - |
| Armadale Kelmscott Hospital - Development | 11,146 | 9,362 | 90 | 1,784 | - | - | - |
| Auspman..... | 5,345 | 241 | 241 | 5,024 | 80 | - | - |
| Broome Regional Resource Centre - Redevelopment Stage 1..... | 42,000 | 41,657 | 64 | 343 | - | - | - |
| Bunbury, Narrogin and Collie Hospitals - Pathology Laboratories Redevelopment | 6,851 | 5,732 | 4,697 | 600 | 519 | - | - |
| Busselton Health Campus (a) | 115,202 | 111,702 | 1,241 | 3,500 | - | - | - |
| Carnarvon Hospital Redevelopment (a) | 25,666 | 23,670 | 185 | 1,996 | - | - | - |
| Country Staff Accommodation - Stage 3..... | 27,422 | 27,237 | - | 185 | - | - | - |
| East Kimberley Development Package..... | 38,597 | 38,375 | 3 | 222 | - | - | - |
| Eastern Wheatbelt District (Including Merredin) - Stage 1 | 7,881 | 298 | - | 3,000 | 4,583 | - | - |
| Esperance Health Campus Redevelopment (a)..... | 31,871 | 29,063 | 3,218 | 2,800 | - | - | - |
| Fiona Stanley Hospital (FSH) - Development..... | 1,584,691 | 1,582,672 | 1,183 | 2,019 | - | - | - |
| Fremantle Hospital and Health Service Reconfiguration..... | 3,092 | 2,403 | 173 | 689 | - | - | - |
| Graylands Hospital - Redevelopment Planning..... | 528 | 524 | - | 4 | - | - | - |
| Harvey Health Campus Redevelopment | 12,858 | 10,805 | 4,592 | 2,053 | - | - | - |
| Hedland Regional Resource Centre Stage 2..... | 136,215 | 134,815 | 3 | 1,400 | - | - | - |
| Joondalup Health Campus Telethon Paediatric Ward..... | 12,118 | 12,000 | 100 | 118 | - | - | - |
| Joondalup Mental Health Observation Area (MHOA) | 7,064 | 3,500 | 3,500 | 3,458 | 106 | - | - |
| Kalamunda District Community Hospital Infrastructure Upgrade | 1,939 | 174 | 174 | 1,765 | - | - | - |
| Kalgoorlie Regional Resource Centre Redevelopment Stage 1..... | 57,461 | 55,866 | 2,514 | 1,595 | - | - | - |
| Karratha Health Campus - Development (a)..... | 207,131 | 62,055 | 43,835 | 104,676 | 38,785 | 1,283 | - |
| King Edward Memorial Hospital (KEMH) Holding..... | 1,380 | 1,056 | - | 324 | - | - | - |
| Maternal Foetal Assessment..... | 5,379 | 5,378 | - | 1 | - | - | - |
| Metropolitan Plan Implementation | | | | | | | |
| Kalamunda Hospital - Redevelopment Stage 2..... | 7,582 | 17 | - | - | - | - | 7,565 |
| Peel Health Campus - Development Stage 1 | 2,265 | 20 | 20 | 2,245 | - | - | - |
| National Partnership Agreement - Improving Public Hospital Services..... | | | | | | | |
| Newman Health Service Redevelopment Project (a)..... | 47,433 | 500 | 500 | 10,005 | 36,928 | - | - |
| North West Health Initiative (NWHI) | | | | | | | |
| Carnarvon Aged Care (b) | 11,577 | 1,000 | 1,000 | - | 8,000 | 2,577 | - |
| District Hospital Upgrade - Paraburdoo, Roebourne, Derby Community Health (b)..... | 3,700 | 500 | 500 | 2,321 | 879 | - | - |
| Onslow Hospital | 41,743 | 5,760 | 4,044 | 35,983 | - | - | - |
| Osborne Park Hospital (OPH) | | | | | | | |
| Reconfiguration Stage 1 | 26,301 | 261 | - | - | - | - | 26,040 |
| Additional Parking Facility..... | 3,279 | 1,806 | 1,680 | 1,473 | - | - | - |
| PathWest - Laboratory Equipment and Asset Replacement/Maintenance | | | | | | | |
| Perth Children's Hospital (PCH) - Development | 1,144,102 | 1,093,263 | 57,125 | 49,549 | 1,290 | - | - |
| Princess Margaret Hospital - Holding..... | 6,245 | 2,126 | - | 4,119 | - | - | - |
| Queen Elizabeth II Medical Centre (QEII)MC) - Hospital Avenue | | | | | | | |
| Reconfiguring the Western Australian Spinal Cord | 5,332 | 110 | 110 | 5,222 | - | - | - |
| Injury Service (SCI) | 43,252 | 52 | 52 | 18,100 | 24,500 | 600 | - |
| Remote Indigenous Health (a) | 24,053 | 18,112 | 2,420 | 4,432 | 1,509 | - | - |
| Renal Dialysis and Support Services..... | 46,796 | 15,972 | 14,624 | 23,055 | 7,769 | - | - |
| Royal Perth Hospital (RPH) Redevelopment Stage 1..... | 16,880 | 11,661 | 11,139 | 5,219 | - | - | - |
| Sarich Neuroscience Research Institute Centre..... | 34,076 | 31,617 | 10,326 | 2,459 | - | - | - |
| Sir Charles Gairdner Hospital (SCGH) | | | | | | | |
| Redevelopment Stage 1 | 21,714 | 3,565 | - | 9,500 | 8,649 | - | - |
| Catheter Laboratory 2 Upgrade..... | 584 | 540 | - | 44 | - | - | - |
| Southern Inland Health Initiative (SIHI) | | | | | | | |
| Integrated District Health Campuses (b)..... | 163,743 | 46,539 | 29,208 | 47,000 | 63,343 | 6,861 | - |
| Primary Health Centres (b)..... | 32,659 | 4,474 | 2,079 | 8,894 | 17,834 | 1,457 | - |
| Small Hospitals and Nursing Posts (b)..... | 102,444 | 45,947 | 15,365 | 17,841 | 37,221 | 1,435 | - |
| Telehealth (b)..... | 5,530 | 4,905 | 1,750 | 625 | - | - | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-17 \$'000 | 2016-17 Estimated Expenditure \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------------|--|---|---|--|--|--|
| St John of God Midland Public Hospital..... | 348,603 | 347,984 | 195 | 619 | - | - | - |
| Strengthening Cancer Services | | | | | | | |
| Regional Cancer Patient Accommodation..... | 4,392 | 2,467 | 674 | 1,925 | - | - | - |
| Geraldton Cancer Centre..... | 3,930 | 3,740 | 1,514 | 190 | - | - | - |
| Telethon Kids Institute (TKI) Fit-out - PCH..... | 40,548 | 32,215 | 32,215 | 8,333 | - | - | - |
| Upper Great Southern District (inc Narrogin) - Stage 1 | 10,497 | 379 | - | 3,500 | 6,618 | - | - |
| Wheatbelt Renal Dialysis ^(b) | 1,950 | 100 | 100 | 1,129 | 721 | - | - |
| Enhancing Health Services for the Pilbara in Partnership with Industry..... | 7,338 | 7,245 | - | - | - | - | - |
| Information and Communication Equipment and Infrastructure | | | | | | | |
| Continued rollout of the Patient Administration System (PAS)..... | 13,670 | 1,370 | 1,370 | 10,827 | 1,473 | - | - |
| FSH | | | | | | | |
| ICT Commissioning..... | 30,685 | 26,265 | 1,011 | 4,420 | - | - | - |
| Facilities Management Services Contract Asset Solution ... | 15,188 | 610 | 610 | 14,578 | - | - | - |
| Intensive Care Clinical Information Systems (ICCIS)..... | 4,200 | 3,717 | 307 | 483 | - | - | - |
| Pharmacy Automation..... | 8,961 | 7,212 | 231 | 1,749 | - | - | - |
| ICT Minor Works Program..... | 4,000 | 3,500 | 3,500 | 500 | - | - | - |
| Infection Prevention and Control System..... | 2,387 | 200 | 200 | 2,187 | - | - | - |
| PCH ICT..... | 177,778 | 141,206 | 44,507 | 36,572 | - | - | - |
| Replacement of Medical Imaging System (PACS-RIS) | 52,525 | 1,468 | 1,468 | 19,795 | 4,014 | 3,144 | 3,365 |
| Replacement of PathWest's Laboratory Information Systems (LISs)..... | 22,478 | 6,338 | 6,338 | 16,140 | - | - | - |
| Other Projects | | | | | | | |
| Country - Staff Accommodation Stage 4..... | 8,128 | 6,628 | 4,441 | 1,500 | - | - | - |
| Minor Buildings Works..... | 156,073 | 143,921 | 946 | 6,190 | 2,962 | 3,000 | - |
| WA Country Health Service PACS - Regional Resource Centre..... | 6,273 | 4,153 | - | 2,120 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| Equipment | | | | | | | |
| BreastScreen WA - Digital Mammography Technology..... | 12,581 | 12,581 | 255 | - | - | - | - |
| Hospitals, Health Centres and Community Facilities | | | | | | | |
| Adult Mental Health Unit Overrun..... | 3,352 | 3,352 | 3,352 | - | - | - | - |
| Joondalup Health Campus - Development Stage 1..... | 213,937 | 213,937 | 197 | - | - | - | - |
| Albany Regional Resource Centre - Redevelopment Stage 1..... | 168,263 | 168,262 | - | - | - | - | - |
| Metropolitan Plan Implementation | | | | | | | |
| Joondalup Health Campus Mental Health Unit | | | | | | | |
| Anti-Ligature Point Rectification..... | 865 | 865 | 865 | - | - | - | - |
| SCGH - Mental Health Unit..... | 28,925 | 28,925 | 1 | - | - | - | - |
| North West Health Initiative | | | | | | | |
| NWHI - Stream 1 - District Hospital Upgrade | | | | | | | |
| Murchison Health - Meekatharra and Mount Magnet ^(b) | 1,000 | 1,000 | 1,000 | - | - | - | - |
| Point of Care Network for Pathology Testing..... | 549 | 549 | 462 | - | - | - | - |
| QEIIIMC - New Central Plant Facility..... | 211,895 | 211,895 | 200 | - | - | - | - |
| Regional Health Administrative Accommodation ^(b) | 1,534 | 1,534 | 93 | - | - | - | - |
| State Epilepsy Service Relocation..... | 1,366 | 1,366 | 1,020 | - | - | - | - |
| Enhancing Health Services for the Pilbara in Partnership with Industry..... | 7,338 | 7,245 | - | - | - | - | - |
| ICT Bunbury BreastScreen Clinic..... | 486 | 486 | 4 | - | - | - | - |
| Information and Communication Equipment and Infrastructure | | | | | | | |
| i.Pharmacy..... | 1,301 | 1,301 | 1,301 | - | - | - | - |
| Stabilising Existing ICT Platform..... | 12,421 | 12,421 | 142 | - | - | - | - |
| Upgrade of PABX infrastructure at SCGH and KEMH..... | 1,881 | 1,881 | 1,798 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Election Commitment - Expand the Ear Bus Program..... | 230 | - | - | 230 | - | - | - |
| Hospitals, Health Centres and Community Facilities | | | | | | | |
| Fremantle General Dental Clinic..... | 2,990 | - | - | 2,990 | - | - | - |
| Fremantle Hospital - Reconfiguration Stage 1..... | 10,163 | - | - | - | - | - | 10,163 |
| KEMH - Neo-natal Intensive Care Unit..... | 1,115 | - | - | 1,115 | - | - | - |
| King's Park Link Bridge..... | 6,700 | - | - | 6,700 | - | - | - |
| Metropolitan Plan Implementation | | | | | | | |
| Graylands Hospital - Development Stage 1..... | 92 | - | - | 92 | - | - | - |
| NWHI | | | | | | | |
| Stream 1 - District Hospital Upgrade - Tom Price Hospital Redevelopment ^(b) | 5,250 | - | - | 250 | - | - | 5,000 |
| Princess Margaret Hospital (PMH) - Interim Holding Works at Existing PMH Site..... | 995 | - | - | 995 | - | - | - |
| Royal Perth Hospital (RPH) | | | | | | | |
| Fire Risk..... | 9,962 | - | - | 280 | 3,962 | 4,200 | 1,520 |
| Helipad..... | 6,800 | - | - | 4,420 | 2,380 | - | - |

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-17 \$'000 | 2016-17 Estimated Expenditure \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------------|--|---|---|--|--|--|
| Strengthening Cancer Services in Regional Western Australia | | | | | | | |
| Narrogin Cancer Centre..... | 2,000 | - | - | 250 | 1,750 | - | - |
| Northam Cancer Centre..... | 3,500 | - | - | 500 | 2,500 | 500 | - |
| Information and Communication Equipment and Infrastructure | | | | | | | |
| FSH - da Vinci System..... | 4,950 | - | - | 4,950 | - | - | - |
| Replacement of the Monitoring of Drugs and Dependence System..... | 992 | - | - | 481 | 435 | 76 | - |
| Other Projects | | | | | | | |
| Country - Transport Initiatives..... | 3,228 | - | - | - | 800 | 2,428 | - |
| Total Cost of Asset Investment Program..... | 6,303,627 | 5,330,001 | 358,857 | 586,858 | 284,381 | 27,561 | 53,653 |
| Loan and Other Repayments..... | | | 74,340 | 66,639 | 57,312 | 45,184 | 27,721 |
| Total..... | 6,303,627 | 5,330,001 | 433,197 | 653,497 | 341,693 | 72,745 | 81,374 |
| FUNDED BY | | | | | | | |
| Capital Appropriation..... | | | 157,810 | 186,194 | 71,758 | 48,184 | 27,721 |
| Commonwealth Grants..... | | | 12,378 | 14,480 | 10,030 | - | - |
| Other Grants and Subsidies..... | | | 50,074 | 20,892 | 5,500 | - | - |
| Funding Included in Department of Treasury Administered Item | | | | | | | |
| Funding Included in Department of Treasury - Fiona Stanley Hospital..... | | | 11,287 | 55,616 | 46,465 | 10,372 | 48,653 |
| Funding Included in Department of Treasury - New Children's Hospital..... | | | - | 2,019 | - | - | - |
| Internal Funds and Balances and Other..... | | | 82,411 | 38,147 | 1,290 | - | - |
| Drawdowns from Royalties for Regions Fund..... | | | 78,204 | 99,422 | 66,758 | 576 | - |
| | | | 41,033 | 236,727 | 139,892 | 13,613 | 5,000 |
| Total Funding..... | | | 433,197 | 653,497 | 341,693 | 72,745 | 81,374 |

(a) Partially funded from the Royalties for Regions Fund.

(b) Fully funded from the Royalties for Regions Fund.

Financial Statements

Income Statement

Expenses

The estimated Total Cost of Services is projected to grow by \$124.2 million (1.4%) between the 2016-17 Estimated Actual and the 2017-18 Budget Target. The forecast expense growth is largely attributable to realignment of budget settings for hospitals and non-hospital services as well as movements in expenditure due to either timing of payments or alignment with program implementation and related parameter changes.

Statement of Financial Position

The estimated total net asset position (equity) is expected to increase by \$524.7 million between the 2016-17 Estimated Actual and the 2017-18 Budget Estimate. Total assets are projected to increase by \$458.1 million whilst liabilities are projected to decrease by \$66.6 million. The projected increase in total assets is attributable to a number of significant health infrastructure projects currently under construction including:

- Karratha Health Campus (\$104.7 million);
- Ongoing redevelopment and expansion of the Southern Inland Health Initiative facilities (\$82.7 million);
- Perth Children's Hospital Development (\$49.5 million);
- Perth Children's Hospital Information Communication Technology (ICT) (\$36.6 million);
- Onslow Hospital Redevelopment (\$36 million);
- Renal Dialysis and Support Services (\$23.1 million);
- Medical Imaging System Replacement (\$19.8 million);
- Reconfiguring the Western Australian Spinal Cord Injury Service (\$18.1 million);
- Replacement of PathWest's Laboratory Information Systems (\$16.1 million);
- Fiona Stanley Hospital Critical ICT & Infrastructure Upgrades (\$14.6 million);
- Continued rollout of the Patient Administration System (\$10.8 million);
- Perth Children's Hospital Development Telethon Kids Institute (\$8.3 million); and
- Perth Children's Hospital Development Kings Park Link Bridge (\$6.7 million).

Statement of Cashflows

The estimated cash balance at 30 June 2018 of \$507.2 million is \$128.1 million (20.2%) lower than the cash position at 30 June 2017. This cashflow change is primarily driven by the use of Commonwealth, Royalties for Regions, and State funds for service delivery, and capital construction requirements.

INCOME STATEMENT ^(a)
(Controlled)

| | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Budget ^(b) | Estimated | Budget | Forward | Forward | Forward |
| | \$'000 | \$'000 | Actual | Estimate | Estimate | Estimate | Estimate |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| COST OF SERVICES | | | | | | | |
| Expenses | | | | | | | |
| Employee benefits ^(c) | 4,703,263 | 4,948,051 | 4,728,289 | 4,984,334 | 4,982,270 | 5,209,853 | 5,452,770 |
| Grants and subsidies ^(d) | 42,026 | 49,330 | 69,920 | 72,556 | 72,418 | 73,501 | 80,238 |
| Supplies and services | 952,587 | 862,876 | 1,007,207 | 955,073 | 739,664 | 729,952 | 724,238 |
| Accommodation | 108,468 | 112,108 | 109,306 | 75,035 | 82,112 | 70,284 | 49,998 |
| Depreciation and amortisation | 319,351 | 382,260 | 331,058 | 378,586 | 387,039 | 385,971 | 359,542 |
| Direct patient support costs | 900,172 | 951,198 | 1,097,608 | 1,098,525 | 1,115,858 | 1,115,348 | 1,142,241 |
| Indirect patients support cost | 221,890 | 203,954 | 263,451 | 266,791 | 269,736 | 269,598 | 273,280 |
| Private sector contract costs | 631,169 | 671,689 | 685,493 | 684,279 | 697,557 | 698,028 | 712,128 |
| Visiting medical practitioners costs | 141,740 | 148,757 | 131,817 | 134,552 | 134,429 | 136,719 | 139,687 |
| Other expenses | 398,919 | 237,850 | 394,166 | 292,796 | 299,968 | 306,407 | 288,721 |
| TOTAL COST OF SERVICES | 8,419,585 | 8,568,073 | 8,818,315 | 8,942,527 | 8,781,051 | 8,995,661 | 9,222,843 |
| Income | | | | | | | |
| Sale of goods and services | 329,457 | 311,686 | 322,315 | 341,551 | 340,287 | 354,984 | 369,418 |
| Grants and subsidies | 467,996 | 377,511 | 440,820 | 448,101 | 180,665 | 141,150 | 141,819 |
| National Health Reform Agreement | 1,678,573 | 1,783,168 | 1,878,881 | 1,938,408 | 2,061,737 | 2,192,370 | 2,281,487 |
| Service Delivery Agreement | 627,255 | 645,357 | 654,878 | 673,800 | 696,727 | 720,809 | 745,607 |
| Recoveries | 269,896 | 209,725 | 301,803 | 303,165 | 309,431 | 316,554 | 320,262 |
| Other revenue | 114,474 | 110,917 | 110,917 | 106,778 | 110,741 | 113,840 | 118,252 |
| Total Income | 3,487,651 | 3,438,364 | 3,709,614 | 3,811,803 | 3,699,587 | 3,839,706 | 3,976,844 |
| NET COST OF SERVICES | 4,931,934 | 5,129,709 | 5,108,701 | 5,130,724 | 5,081,464 | 5,155,955 | 5,245,999 |
| INCOME FROM STATE GOVERNMENT | | | | | | | |
| Service appropriations | 4,853,582 | 5,056,078 | 5,139,298 | 5,053,178 | 4,984,859 | 5,057,969 | 5,150,738 |
| Resources received free of charge | 6,203 | 6,888 | 6,888 | 6,888 | 6,888 | 6,888 | 6,888 |
| Royalties for Regions Fund: | | | | | | | |
| Regional Community Services Fund | 50,449 | 25,665 | 28,895 | 29,361 | 57,623 | 55,542 | 54,632 |
| Regional Infrastructure and Headworks Fund | 2,539 | 13,678 | 15,020 | 47,334 | 39,236 | 34,286 | 33,000 |
| TOTAL INCOME FROM STATE GOVERNMENT | 4,912,773 | 5,102,309 | 5,190,101 | 5,136,761 | 5,088,606 | 5,154,687 | 5,245,258 |
| SURPLUS/(DEFICIENCY) FOR THE PERIOD | (19,161) | (27,400) | 81,400 | 6,037 | 7,142 | (1,270) | (741) |

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The 2016-17 Budget figures for Other revenue, Total Income, Net Cost of Services, Resources Received Free of Charge and Total Income from State Government differ from previously published figures due to a change in calculation methodology.

(c) The Full Time Equivalents for 2015-16 Actual, 2016-17 Estimated Actual and 2017-18 Budget Estimate are 36,588, 35,690 and 35,791 respectively. In some cases the figures for 2015-16 and 2016-17 may differ from previously published figures due to changes in calculation methodology.

(d) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|---------------|-----------------------|---------------|-------------------------|---------------|---------------|---------------|
| | Actual | Budget ^(a) | Estimated | Budget | Forward | Forward | Forward |
| | \$'000 | \$'000 | Actual | Estimate ^(b) | Estimate | Estimate | Estimate |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Aged and Continuing Care Services | 809 | 950 | 16,846 | 17,481 | 17,448 | 17,709 | 19,332 |
| Community Dental Health Services | 6 | 7 | 54 | 56 | 56 | 57 | 62 |
| Health Support Services | 2,632 | 3,090 | 3,020 | 3,133 | 3,127 | 3,174 | 3,465 |
| Health System Management - Policy and Corporate Services | 3,331 | 3,910 | 13,473 | 13,981 | 13,954 | 14,163 | 15,461 |
| Mental Health Services | 64 | 76 | 77 | 80 | 79 | 81 | 88 |
| Public and Community Health Services | 33,421 | 39,227 | 34,917 | 36,235 | 36,167 | 36,706 | 40,071 |
| Public Hospital Admitted Services | 1,702 | 1,998 | 1,504 | 1,560 | 1,557 | 1,581 | 1,725 |
| Public Hospital Emergency Services | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Hospital Non-Admitted Services | 46 | 54 | 14 | 14 | 14 | 14 | 16 |
| Small Rural Hospital Services | 14 | 17 | 14 | 15 | 15 | 15 | 17 |
| TOTAL | 42,026 | 49,330 | 69,920 | 72,556 | 72,418 | 73,501 | 80,238 |

(a) The 2016-17 Budget has been recast in the new Outcome Based Management Framework that commenced in 2017-18.

(b) The 2017-18 Budget Estimate and forward estimates have been projected on a similar proportion as the 2016-17 Estimated Actual noting the figures are indicative and the Health Service Providers have discretion in determining these amounts in future periods.

**STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)**

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash assets | 203,699 | 252,980 | 293,612 | 178,320 | 174,042 | 173,966 | 173,966 |
| Restricted cash | 474,397 | 343,586 | 341,705 | 328,899 | 258,716 | 257,659 | 257,659 |
| Holding account receivables | - | 69,419 | 43,269 | 46,981 | 46,981 | 46,981 | 46,981 |
| Receivables | 223,133 | 183,685 | 223,133 | 223,133 | 223,133 | 223,133 | 223,133 |
| Inventories | 42,240 | 42,240 | 42,240 | 42,240 | 42,240 | 42,240 | 42,240 |
| Other | 31,647 | 17,440 | 31,014 | 38,355 | 37,670 | 36,957 | 36,216 |
| Assets held for sale | - | 865 | - | - | - | - | - |
| Total current assets | 975,116 | 910,215 | 974,973 | 857,928 | 782,782 | 780,936 | 780,195 |
| NON-CURRENT ASSETS | | | | | | | |
| Holding account receivables | 2,384,970 | 2,745,636 | 2,737,302 | 3,112,176 | 3,499,215 | 3,885,186 | 4,244,728 |
| Property, plant and equipment | 7,732,819 | 8,269,405 | 7,740,662 | 7,940,174 | 7,855,108 | 7,514,761 | 7,224,474 |
| Intangibles | 286,099 | 257,931 | 290,842 | 291,602 | 274,010 | 255,947 | 240,345 |
| Other | 13,080 | 8,102 | 13,080 | 13,080 | 13,080 | 13,080 | 13,080 |
| Total non-current assets | 10,416,968 | 11,281,074 | 10,781,886 | 11,357,032 | 11,641,413 | 11,668,974 | 11,722,627 |
| TOTAL ASSETS | 11,392,084 | 12,191,289 | 11,756,859 | 12,214,960 | 12,424,195 | 12,449,910 | 12,502,822 |
| CURRENT LIABILITIES | | | | | | | |
| Employee Provisions | 806,510 | 886,650 | 834,964 | 834,964 | 834,964 | 834,964 | 834,964 |
| Payables | 438,764 | 368,316 | 438,764 | 438,764 | 438,764 | 438,764 | 438,764 |
| Salaries and Wages | 51,213 | 83,239 | 63,859 | 63,859 | 63,859 | 63,859 | 63,859 |
| Other | 76,654 | 59,651 | 85,033 | 82,163 | 73,961 | 62,049 | 54,180 |
| Total current liabilities | 1,373,141 | 1,397,856 | 1,422,620 | 1,419,750 | 1,411,548 | 1,399,636 | 1,391,767 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions | 195,154 | 226,164 | 209,120 | 209,120 | 209,120 | 209,120 | 209,120 |
| Borrowings | 245,590 | 216,136 | 174,179 | 110,410 | 61,300 | 28,028 | 8,176 |
| Total non-current liabilities | 440,744 | 442,300 | 383,299 | 319,530 | 270,420 | 237,148 | 217,296 |
| TOTAL LIABILITIES | 1,813,885 | 1,840,156 | 1,805,919 | 1,739,280 | 1,681,968 | 1,636,784 | 1,609,063 |
| EQUITY | | | | | | | |
| Contributed equity | 6,681,925 | 7,227,062 | 6,973,266 | 7,491,969 | 7,751,374 | 7,823,543 | 7,904,917 |
| Accumulated surplus/(deficit) | 49,272 | 116,890 | 130,672 | 136,709 | 143,851 | 142,581 | 141,840 |
| Reserves | 2,847,002 | 3,007,181 | 2,847,002 | 2,847,002 | 2,847,002 | 2,847,002 | 2,847,002 |
| Total equity | 9,578,199 | 10,351,133 | 9,950,940 | 10,475,680 | 10,742,227 | 10,813,126 | 10,893,759 |
| TOTAL LIABILITIES AND EQUITY | 11,392,084 | 12,191,289 | 11,756,859 | 12,214,960 | 12,424,195 | 12,449,910 | 12,502,822 |

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

| | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Actual | Budget | Estimated | Budget | Forward | Forward | Forward |
| | \$'000 | \$'000 | Actual | Estimate | Estimate | Estimate | Estimate |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| CASHFLOWS FROM STATE GOVERNMENT | | | | | | | |
| Service appropriations..... | 4,475,422 | 4,625,993 | 4,743,697 | 4,674,592 | 4,597,820 | 4,671,998 | 4,791,196 |
| Capital appropriation..... | 178,276 | 222,705 | 169,097 | 243,829 | 118,223 | 58,556 | 76,374 |
| Royalties for Regions Fund: | | | | | | | |
| Regional Community Services Fund..... | 50,536 | 27,034 | 28,895 | 33,905 | 59,853 | 55,542 | 54,632 |
| Regional Infrastructure and Headworks Fund..... | 42,913 | 210,361 | 56,053 | 279,517 | 176,898 | 47,899 | 38,000 |
| Receipts paid into Consolidated Account..... | (2,256) | - | - | - | - | - | - |
| Other..... | 108,900 | 48,600 | 82,411 | 38,147 | 1,290 | - | - |
| Net cash provided by State Government..... | 4,853,791 | 5,134,693 | 5,080,153 | 5,269,990 | 4,954,084 | 4,833,995 | 4,960,202 |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee benefits..... | (4,865,586) | (4,887,577) | (4,673,220) | (4,984,334) | (4,982,271) | (5,209,854) | (5,452,770) |
| Grants and subsidies..... | (42,026) | (49,330) | (69,920) | (72,556) | (72,418) | (73,501) | (80,238) |
| Supplies and services..... | (923,276) | (828,258) | (977,549) | (934,433) | (717,962) | (711,402) | (709,926) |
| Accommodation..... | (107,324) | (112,109) | (109,324) | (75,035) | (82,112) | (70,284) | (49,967) |
| Direct patient support costs..... | (846,080) | (940,388) | (1,086,798) | (1,087,715) | (1,105,045) | (1,115,344) | (1,142,241) |
| Indirect patient support costs..... | (204,546) | (203,954) | (263,451) | (266,791) | (269,740) | (269,602) | (273,280) |
| Private sector contracts..... | (635,468) | (671,689) | (684,860) | (683,620) | (696,871) | (697,315) | (711,387) |
| Visiting medical practitioners..... | (128,924) | (148,757) | (131,817) | (134,552) | (134,429) | (136,719) | (139,687) |
| GST payment on purchases..... | (382,162) | (282,117) | (282,117) | (282,117) | (282,117) | (282,117) | (282,117) |
| Other payments..... | (390,730) | (265,582) | (390,400) | (297,548) | (305,782) | (298,259) | (276,367) |
| Receipts ^(b) | | | | | | | |
| Grants and subsidies..... | 468,626 | 377,511 | 440,820 | 448,101 | 180,665 | 141,150 | 141,819 |
| National Health Reform Agreement..... | 1,678,573 | 1,783,168 | 1,878,881 | 1,938,408 | 2,061,737 | 2,192,370 | 2,281,487 |
| Sale of goods and services..... | 269,703 | 311,686 | 322,315 | 332,551 | 331,287 | 345,984 | 360,418 |
| GST receipts..... | 381,647 | 282,117 | 282,117 | 282,117 | 282,117 | 282,117 | 282,117 |
| Service Delivery Agreement..... | 627,255 | 645,357 | 654,878 | 673,800 | 696,727 | 720,809 | 745,607 |
| Other receipts..... | 387,124 | 309,832 | 401,910 | 399,133 | 409,362 | 419,584 | 427,704 |
| Net cash from operating activities..... | (4,713,194) | (4,680,090) | (4,688,535) | (4,744,591) | (4,686,852) | (4,762,383) | (4,878,828) |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets..... | (399,404) | (526,289) | (358,857) | (586,858) | (284,381) | (27,561) | (53,653) |
| Proceeds from sale of non-current assets..... | 2,351 | - | - | - | - | - | - |
| Net cash from investing activities..... | (397,053) | (526,289) | (358,857) | (586,858) | (284,381) | (27,561) | (53,653) |
| CASHFLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Repayment of borrowings..... | (6,279) | (6,221) | (6,221) | (6,507) | (6,805) | (1,205) | - |
| Payments for finance leases..... | (62,536) | (71,410) | (68,119) | (60,132) | (50,507) | (43,979) | (27,721) |
| Net cash from financing activities..... | (68,815) | (77,631) | (74,340) | (66,639) | (57,312) | (45,184) | (27,721) |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | (325,271) | (149,317) | (41,579) | (128,098) | (74,461) | (1,133) | - |
| Cash assets at the beginning of the reporting period..... | 1,003,396 | 745,883 | 678,096 | 635,317 | 507,219 | 432,758 | 431,625 |
| Net cash transferred to/from other agencies..... | (29) | - | (1,200) | - | - | - | - |
| Cash assets at the end of the reporting period..... | 678,096 | 596,566 | 635,317 | 507,219 | 432,758 | 431,625 | 431,625 |

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| Grants and Subsidies | | | | | | | |
| Commonwealth Grants..... | 420,550 | 311,478 | 340,692 | 379,277 | 127,708 | 89,907 | 90,576 |
| GST Receipts | | | | | | | |
| GST Input Credits | 65,492 | 80,587 | 68,225 | 78,376 | 79,836 | 81,017 | 82,108 |
| GST Receipts on Sales | 1,432 | 2,050 | 1,071 | 1,821 | 1,862 | 1,903 | 1,943 |
| Other Receipts | | | | | | | |
| Proceeds from Services Provided By Environmental Health Services..... | 2,358 | 2,233 | 2,511 | 2,558 | 2,688 | 2,773 | 2,925 |
| Proceeds from Services Provided By Miscellaneous Services..... | 11,106 | 4,251 | 9,968 | 9,983 | 10,044 | 10,116 | 10,190 |
| Proceeds from Services Provided By Reproductive Technology Services..... | - | - | - | 19 | - | - | 29 |
| TOTAL | 500,938 | 400,599 | 422,467 | 472,034 | 222,138 | 185,716 | 187,771 |

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

**RECONCILIATION RELATING TO MAJOR FUNCTIONAL TRANSFERS
AND ACCOUNTING POLICY CHANGES**

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Total Cost of Services as per Income Statement... | 8,419,585 | 8,568,073 | 8,818,315 | 8,942,527 | 8,781,051 | 8,995,661 | 9,222,843 |
| <i>Transfer of the Office of Chief Psychiatrist.....</i> | <i>(705)</i> | - | - | - | - | - | - |
| Adjusted Total Cost of Services | 8,418,880 | 8,568,073 | 8,818,315 | 8,942,527 | 8,781,051 | 8,995,661 | 9,222,843 |
| APPROPRIATIONS | | | | | | | |
| Service Appropriations as per Income Statement | 4,853,582 | 5,056,078 | 5,139,298 | 5,053,178 | 4,984,859 | 5,057,969 | 5,150,738 |
| <i>Transfer of the Office of Chief Psychiatrist.....</i> | <i>(705)</i> | - | - | - | - | - | - |
| Adjusted Total Appropriations Provided to Deliver Services | 4,852,877 | 5,056,078 | 5,139,298 | 5,053,178 | 4,984,859 | 5,057,969 | 5,150,738 |

Agency Special Purpose Account Details

STATE POOL SPECIAL PURPOSE ACCOUNT

Account Purpose: The State Pool Special Purpose Account provides a mechanism to receive Commonwealth funding for State hospitals and State funding for activity based hospital services, as required under the National Health Reform Agreement.

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|
| Opening Balance | - | - | - | - |
| Receipts: | | | | |
| State Contribution (WA Health) | 2,498,987 | 2,225,409 | 2,055,379 | 2,379,752 |
| State Contribution (Mental Health Commission) | 157,463 | 159,145 | 161,151 | 153,182 |
| Commonwealth Contribution | 1,842,771 | 1,955,538 | 2,041,701 | 2,119,975 |
| | 4,499,221 | 4,340,092 | 4,258,231 | 4,652,909 |
| Payments: | | | | |
| Payment to Providers..... | 4,234,143 | 4,060,466 | 3,983,612 | 4,366,203 |
| Payments to State Managed Fund (WA Health) | 191,498 | 204,657 | 200,920 | 207,208 |
| Payments to State Managed Fund (Mental Health Commission) | 73,580 | 74,969 | 73,699 | 79,498 |
| CLOSING BALANCE | - | - | - | - |

STATE MANAGED FUND SPECIAL PURPOSE ACCOUNT

Account Purpose: The State Health Funding Special Purpose Account provides a mechanism to receive Commonwealth funding from the State Pool Special Purpose Account for non-activity based hospital services and State funding for non-activity based hospital services, as required under the National Health Reform Agreement.

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|
| Opening Balance..... | - | - | - | - |
| Receipts: | | | | |
| State Contribution (WA Health)..... | 349,227 | 317,741 | 315,474 | 346,025 |
| State Contribution (Mental Health Commission)..... | 176,434 | 181,537 | 179,193 | 183,259 |
| Commonwealth Contribution (via State Pool Account) | 191,498 | 204,657 | 200,920 | 207,208 |
| Commonwealth Contribution (State Managed Fund via Mental Health Commission) ^(a) | 72,539 | 73,928 | 72,638 | 78,436 |
| | 789,698 | 777,863 | 768,225 | 814,928 |
| Payments: | | | | |
| Payment to Providers | 789,698 | 777,863 | 768,225 | 814,928 |
| CLOSING BALANCE | - | - | - | - |

(a) The Commonwealth contribution to the WA Health State Managed Fund has been adjusted to exclude block funding for specific programs from the Mental Health Commission State Managed Fund Special Purpose Account.

Western Australian Health Promotion Foundation

Part 4 Deputy Premier; Minister for Health; Mental Health

Asset Investment Program

The asset investment expenditure of \$70,000 reflects routine asset replacement and the continued development of an information and communications technology platform.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-17 \$'000 | 2016-17 Estimated Expenditure \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|-----------------------------------|--|---|---|--|--|--|
| COMPLETED WORKS | | | | | | | |
| Computer and Software - 2016-17 Program | 70 | 70 | 70 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Computer and Software | | | | | | | |
| 2017-18 Program | 70 | - | - | 70 | - | - | - |
| 2018-19 Program | 70 | - | - | - | 70 | - | - |
| 2019-20 Program | 70 | - | - | - | - | 70 | - |
| 2020-21 Program | 70 | - | - | - | - | - | 70 |
| Total Cost of Asset Investment Program..... | 350 | 70 | 70 | 70 | 70 | 70 | 70 |
| FUNDED BY | | | | | | | |
| Internal Funds and Balances..... | | | 70 | 70 | 70 | 70 | 70 |
| Total Funding..... | | | 70 | 70 | 70 | 70 | 70 |

Animal Resources Authority

Part 4 Deputy Premier; Minister for Health; Mental Health

Asset Investment Program

The Authority's Asset Investment Program relates to routine asset replacement, completing the Chiller works, and an autoclave replacement. These projects are essential for the Authority's sustainability and viability.

The Chiller completion will make the existing system more efficient, provide substantial cost savings (primarily water and electricity savings), and make the Authority a greener facility.

Immediate replacement of an autoclave is required in 2017-18, as one of the two autoclaves has failed and cannot be repaired. The project costs will be met through an equity contribution in 2017-18.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-17 \$'000 | 2016-17 Estimated Expenditure \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------------|--|---|---|--|--|--|
| WORKS IN PROGRESS | | | | | | | |
| Chiller Unit | 1,016 | 884 | 491 | 132 | - | - | - |
| COMPLETED WORKS | | | | | | | |
| Asset Replacement | | | | | | | |
| 2015-16 Program | 200 | 200 | 155 | - | - | - | - |
| 2016-17 Program | 135 | 135 | 135 | - | - | - | - |
| Transformer | 433 | 433 | 433 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Asset Replacement | | | | | | | |
| 2017-18 Program | 200 | - | - | 200 | - | - | - |
| 2018-19 Program | 200 | - | - | - | 200 | - | - |
| 2019-20 Program | 200 | - | - | - | - | 200 | - |
| 2020-21 Program | 200 | - | - | - | - | - | 200 |
| Autoclave | 1,120 | - | - | 1,120 | - | - | - |
| Total Cost of Asset Investment Program | 3,704 | 1,652 | 1,214 | 1,452 | 200 | 200 | 200 |
| FUNDED BY | | | | | | | |
| Funding Included in Department of Treasury | | | | | | | |
| Administered Item | | | - | 1,120 | - | - | - |
| Internal Funds and Balances | | | 781 | 332 | 200 | 200 | 200 |
| Other | | | 433 | - | - | - | - |
| Total Funding | | | 1,214 | 1,452 | 200 | 200 | 200 |

Division 9 Mental Health Commission

Part 4 Deputy Premier; Minister for Health; Mental Health

Appropriations, Expenses and Cash Assets

| | 2015-16 Actual ^(a) \$'000 | 2016-17 Budget ^(a) \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|--|--|--|---|--|--|--|
| DELIVERY OF SERVICES | | | | | | | |
| Item 12 Net amount appropriated to deliver services | 651,940 | 668,680 | 683,886 | 705,661 | 701,846 | 703,952 | 718,856 |
| Amount Authorised by Other Statutes | | | | | | | |
| - Salaries and Allowances Act 1975 | 783 | 809 | 809 | 809 | 809 | 809 | 809 |
| Total appropriations provided to deliver services..... | 652,723 | 669,489 | 684,695 | 706,470 | 702,655 | 704,761 | 719,665 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Item 13 Mental Health Advocacy Service..... | 2,482 | 2,654 | 2,654 | 2,627 | 2,634 | 2,642 | 2,676 |
| Item 14 Mental Health Tribunal..... | 2,394 | 2,653 | 2,653 | 2,630 | 2,642 | 2,654 | 2,689 |
| Item 15 Office of the Chief Psychiatrist | 2,441 | 2,262 | 2,262 | 2,282 | 2,330 | 2,381 | 2,411 |
| TOTAL ADMINISTERED TRANSACTIONS ... | 7,317 | 7,569 | 7,569 | 7,539 | 7,606 | 7,677 | 7,776 |
| TOTAL APPROPRIATIONS | 660,040 | 677,058 | 692,264 | 714,009 | 710,261 | 712,438 | 727,441 |
| EXPENSES | | | | | | | |
| Total Cost of Services..... | 841,122 | 858,203 | 863,268 | 914,357 | 910,210 | 922,266 | 944,982 |
| Net Cost of Services ^(b) | 662,558 | 675,481 | 695,219 | 727,450 | 718,660 | 720,504 | 732,471 |
| CASH ASSETS ^(c) | 30,769 | 17,609 | 29,687 | 27,692 | 27,479 | 27,262 | 27,042 |

(a) The Office of the Chief Psychiatrist, Mental Health Tribunal and Mental Health Advocacy Service were established as affiliated bodies of the Commission following the proclamation of the *Mental Health Act 2014* on 30 November 2015. These bodies will be funded through separate administered appropriation items to reflect their independence and to ensure transparency. The 2015-16 Actual financial data has been restated for comparability purposes to account for these functional changes, including the transfer of the Office of the Chief Psychiatrist from WA Health. These changes are detailed in the reconciliation table after the financial statements. The 2016-17 Budget expenses have also been restated to reflect a change in accounting treatment to remove Administered Transactions from the Controlled Income Statement.

(b) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since the publication of the 2016-17 Pre-election Financial Projections Statement on 9 February 2017, are outlined below:

| | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|--|---|--|--|--|
| Election Commitments | | | | | |
| 3 Tier Youth Mental Health Program | - | 133 | 133 | 133 | - |
| Alcohol and Other Drug Residential Rehabilitation and Treatment Services | | | | | |
| Kimberley..... | - | 200 | - | - | - |
| South West | - | - | - | - | 1,858 |
| Ice Breakers Program | - | 180 | 180 | - | - |
| Mental Health Recovery College at Royal Perth Hospital and in Wanneroo | - | 200 | - | - | - |
| Methamphetamine Treatment Facilities..... | - | - | 3,903 | 4,002 | 4,100 |
| National Rugby League State of Mind Program..... | - | 50 | 50 | - | - |
| Step Up/Step Down Mental Health Facility in Kalgoorlie | - | - | - | - | 1,658 |

| | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|--|---|--|--|--|
| Other | | | | | |
| Freeze Salaries and Allowances Tribunal Determined Salaries | - | (12) | (24) | (37) | (50) |
| Internal Savings | | | | | |
| Administered Bodies | - | (99) | (100) | (101) | (102) |
| Grants and Services Purchased | - | (665) | (1,659) | (1,697) | (1,737) |
| Internal Resourcing | - | (462) | (462) | (462) | (462) |
| Local Projects Local Jobs..... | 46 | - | - | - | - |
| Public Specialised Mental Health Services Revised Activity and Cost Settings..... | - | 12,416 | 7,699 | 3,452 | 840 |
| Non-Government Human Services Sector Indexation Adjustment..... | - | (1,403) | (1,395) | (1,377) | (1,383) |
| Revision to Indexation for Non-Salary Expenses | - | (220) | (186) | (152) | (281) |
| Workzone - Government Communications Network..... | 350 | 354 | 358 | 362 | 365 |

Significant Issues Impacting the Agency

Public Health Services

- In 2016-17, the Commission entered into its first bilateral agreements with each of the new Health Services Boards. These agreements adhere to the legal framework outlined in the *Health Services Act 2016*. The agreements provide a further mechanism for improvement and accountability in the delivery of public mental health services and alcohol and other drug services.
- A total of \$686 million will be spent on public health services in 2017-18 including inpatient care, community treatment services, and teaching, training and research. This includes 61,512 inpatient weighted activity units achieved through approximately 14,745 separations from specialised mental health wards.
- The Commission is also working to improve current performance monitoring and evaluation of mental health services. Analysis of performance has shown improved outcomes for individuals receiving mental health services through increases in rates of follow-up by community treatment teams (within seven days) after individuals have been discharged from hospitals and the reduction in readmission rates into hospitals within 28 days.

Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025: Better Choices. Better Lives.

- ‘The Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025: Better Choices. Better Lives.’ (the Plan) was developed from 2013 to 2015 with the extensive input of stakeholders including consumers, families, carers and the mental health, alcohol and other drug sectors.
- The Plan outlines a number of actions and sub-actions, phased over three time horizons to the end of 2025. Of these actions and sub-actions, 21 have been completed and 74 have commenced.
- Actions completed include:
 - implementation of a State-wide suicide prevention strategy with projects such as:
 - the Active Life Enhancing Intervention program - an intensive support and counselling service for people who have attempted suicide;
 - the Children and Young People Responsive Suicide Support program - a free and long-term support service for children and young people who have been bereaved by suicide; and
 - establishing 10 Suicide Prevention Coordinators across the State.
 - delivery of a trial clinical/police co-response service in partnership with Western Australia Police and Health Service Providers;
 - introduction of a new Alcohol Assessment and Treatment component of the Alcohol Interlock Scheme;

- increased treatment and support services through:
 - the establishment of the Meth Helpline;
 - the expansion of methamphetamine related training for frontline workers;
 - implementation of 60 new alcohol and other drug treatment beds (52 residential rehabilitation and eight low medical withdrawal);
 - opening of a new step up/step down service in Rockingham;
 - opening of 56 replacement beds at Midland Health Campus, 30 replacement beds at Sir Charles Gairdner Hospital, and 30 new beds at Fiona Stanley Hospital;
 - ongoing development and delivery of a dedicated Youth Mental Health Program by the WA Country Health Service (WACHS) with \$1.8 million funding in 2016-17 to, among other outcomes, improve youth engagement with WACHS Community Mental Health Services in the Pilbara and South West to encourage access to timely and targeted support; and
 - establishment of the Western Australian Eating Disorders Outreach and Consultation Service with an amount of \$823,103 in annual funding;
- commencement of a post-implementation review of the *Mental Health Act 2014*; and
- examination of compulsory alcohol and other drug treatment options and the development of an Exposure Draft Compulsory Treatment (Alcohol and Other Drugs) Bill 2016 and associated Summary Model of Service.
- A two year plan update to be released in 2018 will provide an opportunity to further review progress and update the estimate of current and future needs for Mental Health and Alcohol and Other Drug Services in Western Australia.

Community Bed Based Services

- Community mental health step up/step down services provide short-term, residential support and individualised care for people following discharge from hospital or those experiencing a change in their mental health to avert the need for hospitalisation. Step up/step down services aim to provide timely, intensive support which is responsive to individual needs aligned to personal recovery plans.
- Work has commenced for the delivery of three new step up/step down services in Broome (six beds), Bunbury (10 beds) and Karratha (six beds). Further planning work for services in Kalgoorlie and Geraldton is underway.

Suicide Prevention

- Suicide remains the leading cause of death for Australians aged between 15 and 44 years. In 2015, 394 people took their own lives in Western Australia.
- Suicide Prevention Community Coordinators have been put in place in every region across the State. The Suicide Prevention Community Coordinators are embedded with mental health and/or alcohol and other drug services in areas of highest need and work with Government, non-government, and community services and groups.
- The Response to Suicide and Self Harm in Schools Program continues to target support and assistance across the State in all education sectors. The program provides immediate support for children at risk and capacity building of staff through awareness, reduction of stigma and training.
- The Freedom Centre has received funding of \$310,000 to deliver a regionally-based peer support and education service for the lesbian, gay, bisexual, transgender and intersex (LGBTI) community.
- A targeted round of grants totalling \$239,000 was released in 2016-17. This resulted in funding for 14 initiatives delivered to communities, including regional and remote communities. Grant recipients are delivering peer support and/or mentoring projects for at-risk communities including Aboriginal people, youth, and the LGBTI community.
- A \$1 million, two year pilot project titled the Aboriginal Family Wellbeing project has commenced to address the social and emotional wellbeing of Aboriginal people to help prevent self-harm and suicide. The project includes an accredited six month Certificate II training program, developed for Aboriginal people, and will be delivered by the Aboriginal Health Council of Western Australia across the 22 Aboriginal Medical Services in Western Australia.

- An amount of \$282,100 has been awarded to MATES in Construction Western Australia for coordination of an industry specific case management protocol for individuals affected by suicide.
- An amount of \$310,000 has been awarded to Wheatbelt Men's Health Inc. for the Regional Men's Health Initiative to address issues of mental health and wellbeing, and suicide in men in regional and remote farming communities.

Methamphetamine Action Plan

- As part of the 2017 election commitments, the State Government plans to implement a State-wide, integrated Methamphetamine Action Plan to reduce the demand for, supply of, and harm from methamphetamines. As part of this Plan, the Commission will invest:
 - an additional \$12 million from 2018-19 to 2020-21 into treatment facilities to provide early intervention and respond to severe methamphetamine dependence. This funding has been allocated to residential rehabilitation services;
 - \$18 million from Royalties for Regions (RfR) to expand specialist alcohol and other drug residential rehabilitation services in the South West; and
 - \$200,000 in 2017-18 from RfR to identify and undertake planning and consultation required to address the gaps in alcohol and other drug treatment services in the Kimberley.

Other Significant Issues

- Development of the Fifth National Mental Health and Suicide Prevention Plan is being led by the Mental Health, Drug and Alcohol Principal Committee of the Australian Health Minister's Advisory Council, of which the Western Australian Mental Health Commissioner is a member.
- The National Drug Strategy 2017-2026 (NDS) was endorsed for release by the Ministerial Drug and Alcohol Forum on 29 May 2017. The NDS continues the strong partnership between health and law enforcement agencies with a commitment to harm minimisation and a comprehensive approach to drug policy that focuses on reduction in harm, demand and supply.
- A critical component on the pathway to recovery for people experiencing mental health and/or alcohol and other drug issues is having safe and stable housing. Through an extensive consultation process, the Mental Health, Alcohol and Other Drug Accommodation and Support Strategy 2017-2025 (the Accommodation Strategy) commenced development in 2016-17. The vision of the Accommodation Strategy is for Western Australians with mental health and/or alcohol and other drug issues to have timely access to a range of appropriate accommodation and support options to meet their needs as part of their recovery.
- The *Mental Health Act 2014* (the Act) commenced on 30 November 2015. The legislation enhances rights and safeguards for involuntary patients, families and carers. The Commission continues to work with key stakeholders to monitor and evaluate the impact of the Act on mental health services, consumers, families and carers. The Commission is progressing a two year post-implementation review of the Act, in accordance with regulatory impact assessment requirements, due to be completed by 30 November 2017.
- In December 2016, an Exposure Draft Compulsory (Alcohol and Other Drugs) Bill 2016 and associated Summary Model of Service were released for public comment. The Commission undertook a consultation process to gather community and stakeholder feedback. The proposed Compulsory Alcohol and Other Drug Treatment program would provide for the short-term compulsory treatment, stabilisation, care and support for people with a severe alcohol and other drug problem.
- The State-wide 'Alcohol. Think Again' program achieved significantly greater awareness of the low-risk drinking guidelines in Western Australia than other jurisdictions in the 'Foundation for Alcohol Research and Education Annual Alcohol Poll 2017' (73% in Western Australia, 58% Australian average). Two of the public education campaigns within the 'Alcohol. Think Again' program were recently found to be the most likely public education campaigns to motivate people to reduce the amount of alcohol they drink, out of 83 international campaigns assessed as part of a 2017 academic review funded by the National Health and Medical Research Council.
- 'Alcohol. Think Again' program evaluation results show that since the program's Alcohol and Young People public education campaign commenced in 2012 the proportion of parents who have never supplied alcohol to their child has increased significantly each year from 56% in 2012 to 73% in 2016. The most recent (2014) Australian School Students Alcohol and Drug survey found that fewer young people aged 12 to 17 years are consuming alcohol than at any time in the past decade.

- The Commission continues to support the Community Alcohol and Drug Services to deliver alcohol and other drug prevention through the development of Alcohol and Other Drug Management Plans (AODMPs) that coordinate regional alcohol and other drug activity and reduce the duplication of programs and projects around the State. Currently there are 32 AODMPs in place across Western Australia.

Budget Saving Measures

- Savings of \$8 million between 2017-18 and 2020-21 have been identified. This includes savings of \$1.8 million from consultancy, travel and other administrative costs, \$5.8 million from grants and services purchased from non-government organisations that are no longer a priority or provide relatively low value for money and \$0.4 million from a reduction in expenditure on the Mental Health Advocacy Service, the Office of the Chief Psychiatrist and the Mental Health Tribunal.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

| Government Goal | Desired Outcomes | Services |
|---|--|---|
| Strong Communities: Safe communities and supported families. | Improved mental health and wellbeing. | 1. Prevention |
| | Reduced incidence of use and harm associated with alcohol and other drug use. | |
| | Accessible, high quality and appropriate mental health and alcohol and other drug treatments and supports. | 2. Hospital Bed Based Services 3. Community Bed Based Services 4. Community Treatment 5. Community Support |

Service Summary

| Expense | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---------------------------------------|------------------|------------------|-------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Actual \$'000 | Budget \$'000 | Estimated Actual \$'000 | Budget Estimate \$'000 | Forward Estimate \$'000 | Forward Estimate \$'000 | Forward Estimate \$'000 |
| 1. Prevention | 20,912 | 19,507 | 20,559 | 20,975 | 16,888 | 11,642 | 11,642 |
| 2. Hospital Bed Based Services | 351,215 | 356,550 | 367,897 | 379,837 | 388,620 | 398,305 | 409,002 |
| 3. Community Bed Based Services | 43,341 | 49,036 | 44,591 | 61,409 | 56,242 | 57,605 | 63,148 |
| 4. Community Treatment..... | 373,628 | 381,704 | 383,753 | 402,385 | 397,910 | 404,615 | 409,067 |
| 5. Community Support | 52,026 | 51,406 | 46,468 | 49,751 | 50,550 | 50,099 | 52,123 |
| Total Cost of Services | 841,122 | 858,203 | 863,268 | 914,357 | 910,210 | 922,266 | 944,982 |

Outcomes and Key Effectiveness Indicators ^(a)

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Outcome: Improved mental health and wellbeing: | | | | | |
| Percentage of the population with high or very high levels of psychological distress ^{(b) (c)} | - | - | 9.9% | <=9.9% | |
| Outcome: Reduced incidence of use and harm associated with alcohol and other drug use: | | | | | |
| Percentage of the population aged 14 years and over reporting recent use of alcohol at a level placing them at risk of lifetime harm ^{(b) (d)} | - | - | 21.6% | <=21.6% | |
| Percentage of the population aged 14 years and over reporting recent use of illicit drugs ^{(b) (d)} | - | - | 17% | <=17% | |
| Rate of hospitalisation for alcohol and other drug use ^{(b) (e)} | - | - | - | - | |
| Outcome: Accessible, high quality and appropriate mental health and alcohol and other drug treatments and supports: | | | | | |
| Readmissions to hospital within 28 days of discharge from acute specialised mental health units (national indicator) ^(f) | 17.6% | <=12% | 17.1% | <=12% | 1 |
| Percentage of contacts with community-based public mental health non-admitted services within seven days post discharge from public mental health inpatient units (national indicator) ^(g) | 60.7% | >=70% | 64.1% | >=75% | |
| Percentage of closed alcohol and other drug treatment episodes completed as planned ^(h) | 72.6% | >=76% | 73.5% | >=76% | |
| Percentage of contracted non-government mental health services that met the National Standards for Mental Health Services through independent evaluation..... | 94.1% | 100% | 77.8% | 100% | 2 |
| Percentage of contracted non-government alcohol and other drugs services that met an approved accreditation standard ^(b) | - | - | - | 90% | |
| Percentage of the population receiving public clinical mental health care (national indicator)..... | 2.2% | >=2.2% | 2.3% | >=2.3% | |
| Percentage of the population receiving public alcohol and other drug treatment ^(b) | - | - | - | >=0.7% | |

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

(b) This is a new indicator therefore previous data is not available.

(c) This indicator uses the Kessler Psychological Distress Scale (K10), which is a measure of non-specific psychological distress (e.g. negative emotional states). Data is sourced from the Australian Bureau of Statistics National Health Survey, which is conducted every three years. Results from the 2014-15 survey are presented because the 2017-18 results will not become available until 2019. The 2017-18 Budget Target will therefore remain the same.

(d) This indicator presents information on the Western Australian prevalence rate for illicit drugs and alcohol. Prevalence of recent use (in the last year) of illicit drugs and consumption of alcohol at levels associated with long-term risk of harm for those aged 14 years and over are sourced from the National Drug Strategy Household Survey, which is conducted every three years. Results from the 2013 survey are presented because the 2016 results will not become available until late 2017. The 2017-18 Budget Target will therefore remain the same.

(e) This is a new indicator and the methodology to be used to report a combined alcohol and other drug rate is still under development. The Commission will work with the Epidemiology Branch of WA Health to devise an appropriate methodology.

(f) A readmission for any of the separations identified as 'in scope' is defined as an admission to any acute specialised mental health inpatient unit in Western Australia and includes admissions to specialised mental health inpatient units in publicly funded private hospitals. This indicator is constructed using the national definition and target. Readmission rates are also affected by other factors, such as the cyclic and episodic nature of some illnesses or other issues that are beyond the control of the health system. Data for the 2016-17 Estimated Actual relates to the most recent available data (January to December 2016).

(g) This indicator reports on clients who were followed up by community-based public mental health non-admitted services within seven days following discharge from acute public mental health inpatient units only. The 2016-17 Estimated Actual relates to the most recent available data (January to December 2016).

(h) This is an indicator of the quality of alcohol and other drug treatment supports and reports the percentage of closed episodes in alcohol and other drug treatment services that were completed as planned. It provides an indication of the extent to which treatment objectives are likely to be achieved. Data for the 2016-17 Estimated Actual relates to the most recent data available (January to December 2016).

Explanation of Significant Movements

(Notes)

1. The target for this indicator is aspirational and has been determined at a national level. Since 2014, readmission rates in Western Australia have been impacted by the introduction of new models of care such as hospital in the home and associated data recording and reporting practices. The Commission has implemented a monitoring program for this key effectiveness measure and is regularly reviewing current results with WA Health to further improve performance and enhance data capture.
2. The proportion of contracted non-government organisations that met the National Standards for Mental Health Services through independent evaluation in 2016-17 was significantly below the 2016-17 Budget target. This relates to four of the 18 audited service providers failing to meet the standards. Each of these four providers will be required to take action to comply with all the standards within three months of their initial assessment.

Services and Key Efficiency Indicators

1. Prevention

Prevention and promotion in the mental health and alcohol and other drug sectors include activities to promote positive mental health; raise awareness of mental illness; suicide prevention; and the potential harms of alcohol and other drug use in the community.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service..... | \$'000 20,912 | \$'000 19,507 | \$'000 20,559 | \$'000 20,975 | |
| Less Income..... | 2,655 | 1,317 | 2,782 | 2,557 | 1 |
| Net Cost of Service..... | 18,257 | 18,190 | 17,777 | 18,418 | |
| Employees (Full Time Equivalents)..... | 29 | 23 | 30 | 30 | 2 |
| Efficiency Indicators | | | | | |
| Cost per Capita to Enhance Mental Health and Wellbeing and Prevent Suicide (Illness Prevention, Promotion and Protection Activities) | \$4 | \$4 | \$4 | \$4 | |
| Cost per Capita of the Western Australian Population 14 years and Above for Initiatives that Delay the Uptake and Reduce the Harm Associated with Alcohol and Other Drugs | \$5 | \$4 | \$5 | \$5 | 1 |
| Cost per Person of Alcohol and Other Drug Campaign Target Groups Who are Aware of, and Correctly Recall, the Main Campaign Messages ^(a) | - | - | - | \$0.91 | |

(a) This indicator reports on the cost efficiency of the alcohol and other drug campaigns, which are social marketing programs aimed at raising awareness of the risk of alcohol and other drug-related harms. A new methodology to report a combined alcohol and other drug cost has been developed and therefore data published previously is not comparable, as it only referred to alcohol campaigns.

Explanation of Significant Movements

(Notes)

1. The variation between the 2016-17 Budget and the 2016-17 Estimated Actual reflects the inclusion in the cost of service for 2016-17 Estimated Actual of Commonwealth and other grant funding for drug and alcohol services. This was not included in the 2016-17 Budget because confirmation of Commonwealth and other grant funding had not been received at the time.
2. The variation between the 2016-17 Budget and the 2016-17 Estimated Actual reflects the inclusion of additional grant funded Full Time Equivalents (FTEs) together with a reallocation of funding for two FTEs for the suicide prevention program.

2. Hospital Bed Based Services

Hospital Bed Based Services include mental health acute inpatient units, subacute inpatient units, forensic units, and hospital in the home. It also includes the high medical alcohol and other drug detoxification unit at Next Step.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 351,215 | 356,550 | 367,897 | 379,837 | |
| Less Income..... | 99,535 | 112,728 | 96,691 | 110,404 | 1 |
| Net Cost of Service^(a)..... | 251,680 | 243,822 | 271,206 | 269,433 | |
| Employees (Full Time Equivalents)^(b)..... | 89 | 98 | 91 | 89 | 2 |
| Efficiency Indicators | | | | | |
| Average Length of Stay in Purchased Acute Specialised Mental Health Units ^(c) | 14 days | <15 days | 15 days | <15 days | |
| Average Cost per Purchased Bed-day in Acute Specialised Mental Health Units..... | \$1,384 | \$1,441 | \$1,489 | \$1,520 | |
| Average Length of Stay in Purchased Sub-Acute Specialised Mental Health Units..... | 109 days | <103 days | 106 days | <103 days | |
| Average Cost per Purchased Bed-day in Sub-Acute Specialised Mental Health Units..... | \$1,354 | \$1,383 | \$1,419 | \$1,467 | |
| Average Length of Stay in Purchased Hospital in the Home Mental Health Units..... | 24 days | <22 days | 24 days | <22 days | |
| Average Cost per Purchased Bed-day in Hospital in the Home Mental Health Units..... | \$2,170 | \$1,393 | \$1,352 | \$1,382 | 3 |
| Average Length of Stay in Purchased Forensic Mental Health Units..... | 45 days | <50 days | 34 days | <50 days | 4 |
| Average Cost per Purchased Bed-day in Forensic Mental Health Units..... | \$1,301 | \$1,310 | \$1,338 | \$1,383 | |

(a) The Office of the Chief Psychiatrist, Mental Health Tribunal and Mental Health Advocacy Service were established as affiliated bodies of the Commission following the proclamation of the *Mental Health Act 2014* on 30 November 2015. These bodies will be funded through separate administered appropriation items to reflect their independence and to ensure transparency. The 2015-16 Actual financial data has been restated for comparability purposes to account for these functional changes, including the transfer of the Office of the Chief Psychiatrist from WA Health. These changes are detailed in the reconciliation table after the financial statements.

(b) FTE figures include the Next Step service.

(c) Acute inpatient services include the Next Step and Drug and Alcohol Youth Service inpatient withdrawal units.

Explanation of Significant Movements

(Notes)

- The decrease between the 2016-17 Budget and 2016-17 Estimated Actual is mainly due to a decrease in Commonwealth contribution under the National Health Reform Agreement for admitted patient services of \$9.5 million together with a decrease in revenue for services provided to Administered Bodies of \$7.6 million due to a change in accounting treatment to remove the cost of the Administered entities from controlled operations.
- The movement is mainly due to the transfer of employees of the Administered entities from Controlled operations in the 2016-17 Estimated Actual.
- The 2016-17 Estimated Actual result was substantially lower than the 2015-16 Actual result due to refinements in the methodology used to allocate Hospital in the Home specific funding, which is a newly established mental health treatment model. The refined methodology has been used to determine the 2017-18 Budget Target.
- The Average Length of Stay in Purchased Forensic Mental Health Units was significantly shorter in the 2016-17 Estimated Actual compared to the 2016-17 Budget target. This indicator relates to a small volume of cases and a high demand for limited capacity, so significant variations can occur over time.

3. Community Bed Based Services

Community Bed Based Services are focused on providing recovery oriented services and residential rehabilitation in a home-like environment.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 43,341 | 49,036 | 44,591 | 61,409 | 1 |
| Less Income..... | 13 | 40 | 40 | 40 | |
| Net Cost of Service..... | 43,328 | 48,996 | 44,551 | 61,369 | |
| Employees (Full Time Equivalents)..... | 7 | 9 | 8 | 11 | |
| Efficiency Indicators | | | | | |
| Average Cost per Purchased Bed-day for 24 Hour Staffed Community Bed Based Services (National Indicator) ^(a) | \$359 | - | \$361 | \$360 | |
| Average Cost per Purchased Bed-day for Non-24 Hour Staffed Community Bed Based Services (National Indicator) ^(a) | \$170 | - | \$168 | \$170 | |
| Average Cost per Purchased Bed-day in Step Up/Step Down Community Bed Based Units..... | \$595 | \$628 | \$643 | \$523 | |
| Cost per Completed Treatment Episode in Alcohol and Other Drug Residential Rehabilitation Services..... | \$9,652 | \$9,291 | \$10,140 | \$10,208 | |

(a) The definitions for these indicators have been amended from those used previously in order to align the measures with national indicators included in the Report on Government Services and Mental Health Services in Australia. Previous actuals for 2015-16 and 2016-17 have been recast.

Explanation of Significant Movements

(Notes)

- The increase between the 2016-17 Estimated Actual and the 2017-18 Budget Target is mainly due to step up/step down facilities in Karratha of \$4.6 million, Bunbury of \$4.6 million and Broome of \$3 million, together with increases in expenditure for the Methamphetamine Action Plan residential rehabilitation beds (\$1.9 million) and non-acute community long stay services for older adults (\$1.5 million).

4. Community Treatment

Community Treatment provides clinical care in the community for individuals with mental health, alcohol and other drug problems. These services generally operate with multidisciplinary teams, and include specialised and forensic community clinical services.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|---|-------------------|-------------------|--------------------------------|-----------------------------|------|
| | \$'000 | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service..... | 373,628 | 381,704 | 383,753 | 402,385 | |
| Less Income..... | 71,131 | 68,597 | 68,314 | 73,866 | |
| Net Cost of Service..... | 302,497 | 313,107 | 315,439 | 328,519 | |
| Employees (Full Time Equivalents)..... | 162 | 167 | 173 | 171 | |
| Efficiency Indicators | | | | | |
| Average Cost per Purchased Treatment Day of Ambulatory Care Provided by Public Clinical Mental Health Services (National Indicator) ^(a) | \$482 | \$491 | \$470 | \$487 | |
| Average Treatment Days per Episode of Ambulatory Care Provided by Public Clinical Mental Health Services..... | 5 | <5 | 5 | <5 | |
| Cost per Completed Treatment Episode in Community Based Alcohol and Other Drug Services..... | \$1,671 | \$1,705 | \$1,680 | \$1,580 | |

(a) A treatment day refers to any day on which one or more community contacts are recorded for a consumer during their episode of care. An episode is the period of care between the start and end of treatment.

5. Community Support

Community Support services provide individuals with mental health, alcohol and other drug problems access to the help and support they need to participate in their community. These services include peer support, home in-reach, respite, recovery and harm reduction programs.

| | 2015-16 Actual | 2016-17 Budget | 2016-17 Estimated Actual | 2017-18 Budget Target | Note |
|--|-------------------|-------------------|--------------------------------|-----------------------------|------|
| Total Cost of Service..... | \$'000 52,026 | \$'000 51,406 | \$'000 46,468 | \$'000 49,751 | |
| Less Income..... | 5,230 | 40 | 222 | 40 | 1 |
| Net Cost of Service..... | 46,796 | 51,366 | 46,246 | 49,711 | |
| Employees (Full Time Equivalents)..... | 8 | 7 | 7 | 7 | |
| Efficiency Indicators | | | | | |
| Average Cost per Hour of Community Support Provided to People with Mental Health Problems | \$131 | \$130 | \$144 | \$135 | |
| Average Cost per Episode of Community Support Provided for Alcohol and Other Drug Services ^(a) | \$12,341 | \$9,277 | \$8,672 | \$8,783 | 2 |
| Average Cost per Package of Care Provided for the Individualised Community Living Strategy..... | \$62,413 | \$71,325 | \$42,150 | \$65,790 | 3 |
| Cost per Episode of Care in Safe Places for Intoxicated People | \$366 | \$361 | \$342 | \$336 | |

(a) An episode of care refers to the period of contact between a client and a treatment provider(s) in which there is no change in the main treatment type or the principal drug of concern and there has not been a non-planned absence of contact for greater than three months.

Explanation of Significant Movements

(Notes)

- The decrease between the 2015-16 Actual and the 2016-17 Budget, the 2016-17 Estimated Actual and the 2017-18 Budget is mainly due to the cessation of Commonwealth funding for the Individualised Community Living Strategy and Assertive Community Intervention Program.
- The Transitional Housing and Support Program targets people exiting residential alcohol and other drug treatment services that require ongoing support and who are at risk of homelessness or inappropriate accommodation. Due to the long-term nature of this service, there is a small volume of cases which can result in high variability in cost over the various reporting periods.
- This indicator reports on the Average Cost per Package of Care Provided for the Individualised Community Living Strategy (ICLS). The 2016-17 Estimated Actual is significantly lower than the 2016-17 Budget and the 2017-18 Budget Target because ICLS support packages are flexible and funding can increase or decrease as required. Packages also commence at staggered times throughout the financial year and therefore include part payments that are not reflective of the full year costs for an individual. The average cost per package also declines because of the success of the recovery focused supports.

Asset Investment Program

Royalties for Regions (RfR) funding has been allocated for a step up/step down mental health facility in Kalgoorlie and for a Residential Rehabilitation Centre in the South West.

| | Estimated Total Cost \$'000 | Estimated Expenditure to 30-6-17 \$'000 | 2016-17 Estimated Expenditure \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|-----------------------------------|--|---|---|--|--|--|
| COMPLETED WORKS | | | | | | | |
| Fibroscan Diagnostic Equipment | 168 | 168 | 168 | - | - | - | - |
| NEW WORKS | | | | | | | |
| Election Commitments | | | | | | | |
| Kalgoorlie Step Up/Step Down Facility ^(a) | 5,639 | - | - | - | 976 | 4,379 | 284 |
| Residential Rehabilitation Centre in the South West ^(a) | 16,116 | - | - | - | 5,267 | 10,849 | - |
| Total Cost of Asset Investment Program | 21,923 | 168 | 168 | - | 6,243 | 15,228 | 284 |
| FUNDED BY | | | | | | | |
| Internal Funds and Balances | | | 168 | - | - | - | - |
| Other | | | - | - | - | - | - |
| Drawdowns from Royalties for Regions Fund ^(b) | | | - | - | 6,243 | 15,228 | 284 |
| Total Funding | | | 168 | - | 6,243 | 15,228 | 284 |

(a) Funded from the Royalties for Regions Fund.

(b) Regional Infrastructure and Headworks Fund.

Financial Statements

Income Statement

Expenses

Total Cost of Services is estimated to increase by \$51.1 million compared to the 2016-17 Estimated Actual. This is mainly due to an increase in purchased public health services of \$31.3 million, an increase in grants to the Housing Authority of \$8.6 million for the Bunbury and Karratha step up/step down facilities construction cost, and increases in services purchased from non-government organisations of \$8.4 million.

Income

Income from the State Government is anticipated to increase by \$31.2 million between 2016-17 and 2017-18. This is mainly due to an increase in State funded public health services purchased from WA Health of \$12.6 million together with an increase in RfR infrastructure funding for step up/step down facilities in Bunbury and Karratha of \$7.5 million.

Statement of Financial Position

Total assets are expected to decrease by \$2 million between the 2016-17 Estimated Actual and the 2017-18 Budget Estimate, mainly due to a decrease in cash balances.

Statement of Cashflows

The decrease in cash balances of \$2 million between the 2016-17 Estimated Actual and the 2017-18 Budget Estimate is mainly due to the deferral of RfR funded grant expenditure to the Housing Authority for the construction of step up/step down facilities unspent in 2016-17 and funded from cash balances in 2017-18.

INCOME STATEMENT ^(a)
(Controlled)

| | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Estimated | Budget | Forward | Forward | Forward |
| | \$'000 | \$'000 | Actual | Estimate | Estimate | Estimate | Estimate |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| COST OF SERVICES | | | | | | | |
| Expenses | | | | | | | |
| Employee benefits ^(b) | 39,478 | 39,336 | 35,493 | 36,358 | 34,200 | 33,999 | 33,807 |
| Grants and subsidies ^(c) | 6,643 | 3,063 | 2,753 | 11,210 | 2,353 | 505 | 505 |
| Supplies and services..... | 160,245 | 168,508 | 163,357 | 174,255 | 164,028 | 158,249 | 159,064 |
| Accommodation..... | 1,023 | 2,396 | 2,476 | 2,445 | 2,517 | 2,509 | 2,437 |
| Depreciation and amortisation..... | 456 | 341 | 341 | 341 | 341 | 341 | 341 |
| Service Delivery Agreement - WA Health..... | 627,255 | 645,357 | 654,878 | 686,216 | 704,426 | 724,261 | 746,495 |
| Other expenses..... | 8,114 | 6,771 | 3,970 | 3,532 | 2,345 | 2,402 | 2,333 |
| TOTAL COST OF SERVICES | 843,214 | 865,772 | 863,268 | 914,357 | 910,210 | 922,266 | 944,982 |
| Income | | | | | | | |
| Sale of goods and services..... | - | 7,850 | 281 | 288 | 295 | 302 | 302 |
| Grants and subsidies..... | 12,687 | 2,302 | 4,746 | 4,852 | | | |
| National Health Reform Agreement | 165,620 | 172,370 | 162,822 | 181,567 | 191,255 | 201,460 | 212,209 |
| Other revenue..... | 257 | 200 | 200 | 200 | - | - | - |
| Total Income | 178,564 | 182,722 | 168,049 | 186,907 | 191,550 | 201,762 | 212,511 |
| NET COST OF SERVICES | 664,650 | 683,050 | 695,219 | 727,450 | 718,660 | 720,504 | 732,471 |
| INCOME FROM STATE GOVERNMENT | | | | | | | |
| Service appropriations..... | 654,815 | 669,489 | 684,695 | 706,470 | 702,655 | 704,761 | 719,665 |
| Resources received free of charge..... | 3,923 | - | 3,977 | 4,037 | 4,097 | 4,159 | 4,221 |
| Royalties for Regions Fund: | | | | | | | |
| Regional Community Services Fund..... | 5,630 | 7,233 | 5,423 | 7,293 | 11,090 | 11,222 | 8,220 |
| Regional Infrastructure and Headworks Fund | - | - | - | 7,510 | 460 | - | - |
| TOTAL INCOME FROM STATE GOVERNMENT | 664,368 | 676,722 | 694,095 | 725,310 | 718,302 | 720,142 | 732,106 |
| SURPLUS/(DEFICIENCY) FOR THE PERIOD | (282) | (6,328) | (1,124) | (2,140) | (358) | (362) | (365) |

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents for 2015-16 Actual, 2016-17 Estimated Actual and 2017-18 Budget Estimate are 295, 309 and 308 respectively. In some cases the figures for 2015-16 and 2016-17 may differ from previously published figures due to changes in calculation methodology.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

| | 2015-16 | 2016-17 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|--|--------------|--------------|--------------|---------------|--------------|------------|------------|
| | Actual | Budget | Estimated | Budget | Forward | Forward | Forward |
| | \$'000 | \$'000 | Actual | Estimate | Estimate | Estimate | Estimate |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Department for Child Protection - Youth | | | | | | | |
| Crisis Accommodation Support..... | 424 | - | 442 | - | - | - | - |
| Department of Education - Suicide | | | | | | | |
| Prevention Strategy..... | 487 | 345 | 345 | 354 | 363 | - | - |
| Housing Authority | | | | | | | |
| Broome Step Up/Step Down Facility..... | 1,900 | 700 | - | 700 | - | - | - |
| Bunbury Step Up/Step Down Facility..... | - | - | - | 4,330 | 230 | - | - |
| Karratha Step Up/Step Down Facility..... | - | - | - | 4,290 | 230 | - | - |
| Non-Government Grants | | | | | | | |
| Ice Breakers Program | - | - | - | 180 | 180 | - | - |
| National Perinatal Depression Initiative..... | 506 | - | - | - | - | - | - |
| Other..... | 1,456 | 341 | 387 | 368 | 343 | 361 | 361 |
| Prevention and Anti-Stigma | 441 | 171 | 171 | 162 | 153 | 144 | 144 |
| Suicide Prevention Strategy | 1,222 | 800 | 800 | 826 | 854 | - | - |
| Workforce Development | 207 | - | - | - | - | - | - |
| Road Safety Commission - Alcohol Interlocks | | | | | | | |
| Assessment and Treatment Service | - | - | 608 | - | - | - | - |
| WA Health - Mobile Clinical Outreach Team..... | - | 706 | - | - | - | - | - |
| TOTAL | 6,643 | 3,063 | 2,753 | 11,210 | 2,353 | 505 | 505 |

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CURRENT ASSETS | | | | | | | |
| Cash assets | 25,951 | 12,834 | 23,619 | 22,565 | 22,207 | 21,845 | 21,480 |
| Restricted cash | 4,818 | 4,775 | 6,068 | 5,127 | 5,272 | 5,417 | 5,562 |
| Receivables | 536 | 63 | 536 | 536 | 536 | 536 | 536 |
| Other..... | 90 | 111 | 90 | 90 | 90 | 90 | 90 |
| Total current assets | 31,395 | 17,783 | 30,313 | 28,318 | 28,105 | 27,888 | 27,668 |
| NON-CURRENT ASSETS | | | | | | | |
| Holding account receivables..... | 5,145 | 5,582 | 5,486 | 5,827 | 6,168 | 6,509 | 6,850 |
| Property, plant and equipment | 22,559 | 31,808 | 22,386 | 22,045 | 27,947 | 42,834 | 42,777 |
| Other..... | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Total non-current assets | 27,716 | 37,402 | 27,884 | 27,884 | 34,127 | 49,355 | 49,639 |
| TOTAL ASSETS | 59,111 | 55,185 | 58,197 | 56,202 | 62,232 | 77,243 | 77,307 |
| CURRENT LIABILITIES | | | | | | | |
| Employee provisions | 5,801 | 7,040 | 5,023 | 5,023 | 5,090 | 5,090 | 5,090 |
| Payables..... | 3,537 | 2,877 | 3,537 | 3,537 | 3,571 | 3,571 | 3,571 |
| Other..... | 329 | 145 | 474 | 619 | 764 | 909 | 1,054 |
| Total current liabilities | 9,667 | 10,062 | 9,034 | 9,179 | 9,425 | 9,570 | 9,715 |
| NON-CURRENT LIABILITIES | | | | | | | |
| Employee provisions | 1,861 | 2,044 | 1,594 | 1,594 | 1,493 | 1,493 | 1,493 |
| Total non-current liabilities | 1,861 | 2,044 | 1,594 | 1,594 | 1,493 | 1,493 | 1,493 |
| TOTAL LIABILITIES | 11,528 | 12,106 | 10,628 | 10,773 | 10,918 | 11,063 | 11,208 |
| EQUITY | | | | | | | |
| Contributed equity | 24,653 | 33,141 | 25,763 | 25,763 | 32,006 | 47,234 | 47,518 |
| Accumulated surplus/(deficit)..... | 22,322 | 9,330 | 21,198 | 19,058 | 18,700 | 18,338 | 17,973 |
| Reserves..... | 608 | 608 | 608 | 608 | 608 | 608 | 608 |
| Total equity | 47,583 | 43,079 | 47,569 | 45,429 | 51,314 | 66,180 | 66,099 |
| TOTAL LIABILITIES AND EQUITY | 59,111 | 55,185 | 58,197 | 56,202 | 62,232 | 77,243 | 77,307 |

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| CASHFLOWS FROM STATE GOVERNMENT | | | | | | | |
| Service appropriations..... | 654,575 | 669,148 | 684,354 | 706,129 | 702,314 | 704,420 | 719,324 |
| Royalties for Regions Fund: | | | | | | | |
| Regional Community Services Fund | 5,630 | 17,633 | 6,533 | 7,293 | 17,333 | 26,450 | 8,504 |
| Regional Infrastructure and Headworks Fund | - | - | - | 7,510 | 460 | - | - |
| Net cash provided by State Government..... | 660,205 | 686,781 | 690,887 | 720,932 | 720,107 | 730,870 | 727,828 |
| CASHFLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Payments | | | | | | | |
| Employee benefits..... | (41,684) | (39,187) | (36,393) | (36,213) | (34,055) | (33,854) | (33,662) |
| Grants and subsidies..... | (6,349) | (3,063) | (2,753) | (11,210) | (2,353) | (505) | (505) |
| Supplies and services | (156,837) | (168,508) | (159,511) | (170,351) | (160,058) | (154,219) | (154,974) |
| Accommodation | (1,074) | (2,396) | (2,446) | (2,415) | (2,486) | (2,478) | (2,406) |
| Service Delivery Agreement - WA Health..... | (627,255) | (645,357) | (654,878) | (686,216) | (704,426) | (724,261) | (746,495) |
| Other payments..... | (6,800) | (6,771) | (3,869) | (3,429) | (2,249) | (2,304) | (2,233) |
| Receipts ^(b) | | | | | | | |
| Grants and subsidies..... | 12,686 | 2,302 | 4,746 | 4,852 | - | - | - |
| National Health Reform Agreement | 165,620 | 172,370 | 162,822 | 181,567 | 191,255 | 201,460 | 212,209 |
| Sale of goods and services..... | - | 7,850 | 281 | 288 | 295 | 302 | 302 |
| Other receipts | 191 | 200 | 200 | 200 | - | - | - |
| Net cash from operating activities | (661,502) | (682,560) | (691,801) | (722,927) | (714,077) | (715,859) | (727,764) |
| CASHFLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Purchase of non-current assets | (146) | (10,400) | (168) | - | (6,243) | (15,228) | (284) |
| Net cash from investing activities..... | (146) | (10,400) | (168) | - | (6,243) | (15,228) | (284) |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | |
| | (1,443) | (6,179) | (1,082) | (1,995) | (213) | (217) | (220) |
| Cash assets at the beginning of the reporting period | 32,212 | 23,788 | 30,769 | 29,687 | 27,692 | 27,479 | 27,262 |
| Cash assets at the end of the reporting period | 30,769 | 17,609 | 29,687 | 27,692 | 27,479 | 27,262 | 27,042 |

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Commission. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| Grants and Subsidies | | | | | | | |
| Commonwealth Grants | 7,406 | 181 | 518 | 181 | - | - | - |
| Other Grant Funding | 5,280 | 2,121 | 4,228 | 4,671 | - | - | - |
| Sale of Goods and Services | | | | | | | |
| Revenue for Services Provided to Affiliated Bodies | - | 7,569 | - | - | - | - | - |
| Other Receipts | | | | | | | |
| Other Revenue | 191 | 481 | 481 | 488 | 295 | 302 | 302 |
| TOTAL | 12,877 | 10,352 | 5,227 | 5,340 | 295 | 302 | 302 |

(a) The moneys received and retained are to be applied to the Commission's services as specified in the Budget Statements.

**RECONCILIATION RELATING TO MAJOR FUNCTIONAL TRANSFERS
AND ACCOUNTING POLICY CHANGES**

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|---|-----------------------------|-----------------------------|--|---|--|--|--|
| EXPENSES | | | | | | | |
| Total Cost of Services as per Income Statement | 843,214 | 865,772 | 863,268 | 914,357 | 910,210 | 922,266 | 944,982 |
| <i>Transfer of the Mental Health Advocacy Service to Administered Appropriation</i> | (1,043) | (2,654) | - | - | - | - | - |
| <i>Transfer of the Mental Health Tribunal to Administered Appropriation</i> | (988) | (2,653) | - | - | - | - | - |
| <i>Transfer of the Office of the Chief Psychiatrist to Administered Appropriation</i> | (61) | (2,262) | - | - | - | - | - |
| Adjusted Total Cost of Services | 841,122 | 858,203 | 863,268 | 914,357 | 910,210 | 922,266 | 944,982 |
| APPROPRIATIONS | | | | | | | |
| Service Appropriations as per Income Statement | 654,815 | 669,489 | 684,695 | 706,470 | 702,655 | 704,761 | 719,665 |
| <i>Transfer of the Mental Health Advocacy Service to Administered Appropriation</i> | (1,043) | - | - | - | - | - | - |
| <i>Transfer of the Mental Health Tribunal to Administered Appropriation</i> | (988) | - | - | - | - | - | - |
| <i>Transfer of the Office of the Chief Psychiatrist to Administered Appropriation</i> | (61) | - | - | - | - | - | - |
| Adjusted Total Appropriations Provided to Deliver Services | 652,723 | 669,489 | 684,695 | 706,470 | 702,655 | 704,761 | 719,665 |
| ADMINISTERED TRANSACTIONS | | | | | | | |
| Administered Appropriation as per Details of Administered Transactions | 4,520 | 7,569 | 7,569 | 7,539 | 7,606 | 7,677 | 7,776 |
| <i>Transfer of the Mental Health Advocacy Services</i> | 1,043 | - | - | - | - | - | - |
| <i>Transfer of the Mental Health Tribunal</i> | 988 | - | - | - | - | - | - |
| <i>Transfer of the Office of the Chief Psychiatrist</i> | 61 | - | - | - | - | - | - |
| <i>Transfer of the Office of the Chief Psychiatrist from WA Health</i> | 705 | - | - | - | - | - | - |
| Adjusted Total Administered Appropriation | 7,317 | 7,569 | 7,569 | 7,539 | 7,606 | 7,677 | 7,776 |

DETAILS OF ADMINISTERED TRANSACTIONS

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 | 2018-19 Forward Estimate \$'000 | 2019-20 Forward Estimate \$'000 | 2020-21 Forward Estimate \$'000 |
|--|-----------------------------|-----------------------------|--|---|--|--|--|
| INCOME | | | | | | | |
| Other | | | | | | | |
| Administered Appropriation..... | 4,520 | 7,569 | 7,569 | 7,539 | 7,606 | 7,677 | 7,776 |
| Services Received Free of Charge..... | 537 | - | - | - | - | - | - |
| Other Revenue..... | 1 | - | - | - | - | - | - |
| TOTAL ADMINISTERED INCOME | 5,058 | 7,569 | 7,569 | 7,539 | 7,606 | 7,677 | 7,776 |
| EXPENSES | | | | | | | |
| Other | | | | | | | |
| Office of the Chief Psychiatrist..... | 1,342 | 2,262 | 2,229 | 2,282 | 2,330 | 2,381 | 2,411 |
| Mental Health Tribunal..... | 1,596 | 2,653 | 2,615 | 2,630 | 2,642 | 2,654 | 2,689 |
| Mental Health Advocacy Service..... | 1,705 | 2,654 | 2,615 | 2,627 | 2,634 | 2,642 | 2,676 |
| TOTAL ADMINISTERED EXPENSES | 4,643 | 7,569 | 7,459 | 7,539 | 7,606 | 7,677 | 7,776 |

Agency Special Purpose Account Details

STATE MANAGED FUND SPECIAL PURPOSE ACCOUNT

Account Purpose: The State Health Funding Special Purpose Account provides a mechanism to receive Commonwealth funding for mental health-related activity from the State Pool Special Purpose Account for non-activity based hospital services and State funding for non-activity based hospital services, as required under the National Health Reform Agreement.

| | 2015-16 Actual \$'000 | 2016-17 Budget \$'000 | 2016-17 Estimated Actual \$'000 | 2017-18 Budget Estimate \$'000 |
|------------------------------|-----------------------------|-----------------------------|--|---|
| Opening Balance | - | - | - | - |
| Receipts: | | | | |
| Appropriations..... | 176,434 | 181,537 | 178,552 | 183,259 |
| Other | 73,580 | 74,969 | 73,699 | 79,498 |
| | 250,014 | 256,506 | 252,251 | 262,757 |
| Payments | 250,014 | 256,506 | 252,251 | 262,757 |
| CLOSING BALANCE | - | - | - | - |

