

Part 5

Health

Summary of Portfolio Appropriations

Agency	2017-18 Budget \$'000	2017-18 Estimated Actual '000	2018-19 Budget Estimate '000
WA Health			
– Delivery of Services	5,052,224	5,057,339	4,947,630
– Capital Appropriation	186,194	200,255	114,920
Total	5,238,418	5,257,594	5,062,550
Mental Health Commission			
– Delivery of Services	706,763	696,491	707,456
– Administered Grants, Subsidies and Other Transfer Payments	8,200	8,230	8,287
Total	714,963	704,721	715,743
GRAND TOTAL			
– Delivery of Services	5,758,987	5,753,830	5,655,086
– Administered Grants, Subsidies and Other Transfer Payments	8,200	8,230	8,287
– Capital Appropriation	186,194	200,255	114,920
Total	5,953,381	5,962,315	5,778,293

Division 21 WA Health

Part 5 Health

Appropriations, Expenses and Cash Assets

	2016-17 Actual ^(a) \$'000	2017-18 Budget ^(a) \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 49 Net amount appropriated to deliver services.....	5,017,639	4,918,427	4,932,645	4,819,236	4,855,561	4,930,989	5,113,191
Amount Authorised by Other Statutes							
- Lotteries Commission Act 1990.....	120,000	133,081	123,978	127,678	127,670	128,582	128,939
- Salaries and Allowances Act 1975.....	716	716	716	716	716	716	717
Total appropriations provided to deliver services	5,138,355	5,052,224	5,057,339	4,947,630	4,983,947	5,060,287	5,242,847
CAPITAL							
Item 111 Capital Appropriation	157,810	186,194	200,255	114,920	100,904	38,465	19,903
TOTAL APPROPRIATIONS	5,296,165	5,238,418	5,257,594	5,062,550	5,084,851	5,098,752	5,262,750
EXPENSES							
Total Cost of Services	8,829,073	8,941,573	9,024,524	8,807,569	8,955,448	9,158,471	9,467,441
Net Cost of Services ^(b)	5,002,717	5,129,770	5,162,729	5,057,076	5,085,954	5,155,548	5,337,467
CASH ASSETS ^(c).....	841,078	507,219	684,093	616,895	579,471	571,471	570,605

- (a) The 2016-17 Actual and 2017-18 Budget financial data have been restated for comparability purposes to account for the transfer of the Fresh Start Recovery Program to the Mental Health Commission and the transfer to the Office of the Chief Psychiatrist as shown in the reconciliation table.
- (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 presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Adjustments to Public Hospital Services and Non-Hospital Services					
Hospital Services - Revised Activity and Cost Settings.....	(3,177)	(60,479)	(45,416)	(22,277)	12,340
Non-Hospital Services Expenditure Adjustment.....	-	16,585	16,835	17,084	17,338
Commonwealth Grant Expenditure					
Adult Public Dental Services	9,686	7,264	-	-	-
Commonwealth Respite and Carelink Centres.....	1,591	-	-	-	-
Essential Vaccines	22,488	22,678	23,106	24,093	24,093
Expansion of BreastScreen Australia Program	1,588	1,610	1,640	1,660	-
Improving Trachoma Control Services for Indigenous Australians.....	1,614	1,647	1,688	1,713	-
Multi-purpose Services Program Agreement.....	2,016	-	-	-	-
OzFoodNet.....	205	208	212	-	-
Election Commitments					
Protection for Frontline Security Staff.....	-	1,118	559	559	-
Senior Executive Service Reduction	(500)	(1,000)	(1,000)	(1,000)	(1,000)
Valley View Residence.....	-	500	-	-	-

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Other					
2018-19 Tariffs, Fees and Charges	-	3,110	187	(1,275)	10,694
Aboriginal Health Program	-	13,992	7,159	-	-
Computerised Tomography Scanner for PathWest at the State Mortuary.....	146	564	258	258	258
Dongara Aged Care	(1,000)	-	-	-	-
Government Office Accommodation Reform Program	227	1,087	451	573	122
Home and Community Care (HACC)	(2,672)	23,653	2,648	(13,882)	(13,882)
New Public Sector Wages Policy	44	(11,366)	(35,473)	(64,783)	-
Non-Government Human Services Sector Indexation Adjustment	-	(4,357)	(7,407)	(7,631)	-
Perth Children's Hospital					
Capella Parking	5,223	-	-	-	-
Organisational Change, Redesign and Transition	14,183	-	-	-	-
Revision to Road Trauma Trust Account Funding.....	512	515	518	521	525
State Fleet Policy and Procurement Initiatives	(998)	(2,013)	(2,198)	(2,386)	(2,429)
Transfer of Funds to the Mental Health Commission	(954)	(969)	(983)	(998)	(1,011)
Update to Depreciation Expense.....	(23,477)	17,902	6,017	19,153	(20,021)
Voluntary Targeted Separation Scheme ^(a)	10,064	(18,078)	(18,246)	(18,413)	(18,666)

(a) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

Health System Overview

- The WA Health system continues to focus on achieving financial stability whilst implementing election commitments, and ensuring delivery of safe, quality health care to Western Australians.
- Investment in health service provision has ensured that Western Australia continues to perform well in several key health outcomes. This is demonstrated by an increase in life expectancy, a decrease in infant mortality rates, and an increase in childhood immunisation rates. Furthermore, the Western Australian health system has also achieved favourable results in the Western Australia Emergency Access Target and Western Australia Elective Services Target.
- The focus on workforce, and system and structural reform in recent years has resulted in significant progress being made towards achieving financial sustainability. The benefits of this focus are now being realised, most significantly in health expenditure growth which has been lower than 5% per annum in the last two years compared with an average growth of 9% per annum in the past decade.
- Building on these reforms and achievements, Government will focus on longer term innovative improvements in service delivery and the efficient use of resources, with these intentions also echoed in the Sustainable Health Review (SHR).
- In conjunction with the lower expense growth, the Western Australian health system has become more efficient in the delivery of hospital services, with higher than target activity delivered without funding supplementation, which has resulted in a unit cost growth that is below the national average.
- Implementation of a new Outcome Based Management Framework from 1 July 2017 has provided a new level of financial transparency in the way the Western Australian health system reports its effectiveness and efficiency in delivering health services with public funding.

Update on Sustainable Health Review

- As part of Government's election commitment, the Interim SHR Report has been presented to Government, with the Final Report and recommendations due in November 2018.
- The Report identifies 12 Preliminary Directions, supported by nine recommendations and a number of areas for further work. The Preliminary Directions are structured around the key focus areas of prevention and health promotion, community-based health care services, supporting equity in country health, Aboriginal health and mental health, creating the right culture, technology and innovation, research, workforce, infrastructure, and building financial sustainability, strong governance, system and support services.

- Furthermore, the importance of greater commissioning flexibility is highlighted, along with the need for funding reform to prioritise value, quality and population needs, and greater system-wide emphasis on prevention.
- The need to improve interfaces in the health system is a key focus, noting that Western Australia needs to be more proactive in partnering to meet consumers and carer calls for greater levels of care in the community, more person-centred care and seamless access to support across our health, disability, aged care and mental health systems. Where possible, hospital-based services should be transitioned from provision of care in a hospital setting to a community setting, thereby reducing costly health care service.
- The SHR focuses on the importance of system enablers such as data sharing and digitisation, proposing that the health system pursues the expansion of electronic health records so that information such as diagnostic test results can be shared between clinicians, to improve efficiency and effectiveness.
- Additionally, a fair share of funding through greater cooperation between the State and Commonwealth will be fundamental in driving innovation and addressing a number of measures where Commonwealth funding does not account for the unique challenges faced by Western Australia.

Continued Investment in Public Hospital Services

- The 2018-19 Budget reflects expenditure of \$8.8 billion in 2018-19 to support the provision of high quality health care in Western Australia.
- This includes an amount of \$6.5 billion in 2018-19 for hospital services, representing growth of 2.9% (\$184.2 million) relative to estimated actual expenditure in 2017-18. The average expense growth for hospital services over the forward estimates period is 3.3% per annum.
- The State 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 (WAU) at a State Price.
- The Government has approved the purchase of 957,298 WAUs for the State's public funded hospitals in 2018-19, representing an increase of 2.1% over approved activity in 2017-18. The price determined for 2018-19 activity is \$5,960 per WAU and is set using Government endorsed cost parameters.
- Investment in public hospital services in 2018-19 is estimated to provide for over 661,000 inpatient episodes of care. This represents an increase of 1.5% in inpatient episodes of care compared with a 2017-18 estimate of 651,000.
- The Western Australian health system is estimated to provide 982,000 episodes of care in emergency departments in 2017-18 and 2,646,000 service events in outpatient clinics and community clinics. Comparatively, it is estimated that the 2018-19 investment will provide for over 998,000 emergency department episodes of care and over 2,689,000 service events in outpatient clinics and community settings.
- As part of the Council of Australian Government's meeting in February 2018, the Commonwealth presented a Heads of Agreement for public hospital funding and health reform from 1 July 2020 to 30 June 2025, which was signed by Western Australia. This will see the Commonwealth provide a \$30 billion increase in hospitals funding to States and Territories over the life of the new agreement compared to the previous five year period, with growth in Commonwealth funding continuing to be capped at 6.5% per annum.

Investment in Health Infrastructure

- The considerable capital investment program undertaken in recent years is now approaching completion, with the new \$1.2 billion Perth Children's Hospital (PCH) due to open.
- PCH will provide a world class facility for children in Western Australia. The 298 bed hospital will have 48 more beds than at Princess Margaret Hospital, and will offer a significant increase in green space and parent beds in every standard inpatient room. As a leading paediatric hospital, PCH will provide the specialist treatment required for the most serious medical cases, as well as secondary services including inpatient and outpatient care and day stay care.
- The hospital will be accepting its first patients through selected outpatient clinics from 14 May 2018. This will be the first stage of opening, with the hospital due to open fully to patients in June 2018.

Election Commitments - Putting Patients First

Fast Tracked Commitments

- Implementation is underway for a number of the Government's election commitments approved as part of the 2017-18 Budget process namely, Let's Prevent Program, Expand the Ear Bus Program, Tobacco Law Reform, Reducing Smoking in Aboriginal Communities, Meet and Greet Service for people from remote communities visiting Perth for medical treatment and Making Aged Care More Available. The Find Cancer Early, Patient Opinion, establishment of the Peel Youth Health and Mental Health Hub and Prescribing Medicinal Cannabis commitments have already been successfully implemented.

Improving Access to Health Care in Western Australia

- Recognising the growing demand for health services in the Joondalup-Wanneroo catchment area, the Government is committed to engaging and working together with Ramsay Health Care to expand services at Joondalup Health Campus (JHC). The JHC is the largest health care facility in Perth's northern suburbs, providing 24-hour acute care from an integrated public and private campus. A total of \$158 million of Commonwealth funding for this project has been provisioned. A project team has been established and \$4.6 million has been committed towards planning the design and construction of the JHC expansion, including review of the service delivery contract. The remaining \$153.4 million will be made available for the infrastructure expansion of the JHC, subject to Government approval of a business case.
- In keeping with the Government's commitment to enhance the quality and efficiency of health care for mental health patients, \$11.8 million will be invested to develop a Mental Health Observation Area and an authorised Mental Health Unit at Royal Perth Hospital (RPH). These facilities will provide dedicated areas to manage mental health patients with more complex high acuity and severe behavioural disturbance that present to the Emergency Department (ED), and will improve the patient flow by fast-tracking patients to the right therapeutic setting. The Commonwealth will contribute \$4 million to this project.
- The Government has also established a Behavioural Assessment Urgent Care Centre (BAUCC) at RPH, in line with its election commitment to reduce pressure on the hospital's ED. The BAUCC at RPH will provide specialised care for patients with behavioural disturbances associated with drugs and other substances while ensuring that patient, staff and visitor safety is not compromised.
- In line with its commitment, the Government will invest capital funds of \$1.8 million to construct a Family Birthing Centre at the Fiona Stanley Hospital. The Family Birthing Centre model of care involves establishing a Midwifery Group Practice, to ensure midwife-led continuity of care through antenatal, labour, birth and postnatal stages of care.
- The Government is redeveloping the Osborne Park Hospital (OPH) with capital investment of \$24.9 million over four years to relieve pressure on neonatal cots at other tertiary hospitals and to increase bed capacity in rehabilitation and aged care services. The OPH redevelopment includes the upgrade of the neonatal unit to handle more complex cases, expansion of midwifery services, and an increase in the number of rehabilitation beds and post-operative rehabilitation physiotherapy services. The Commonwealth will contribute \$10.6 million towards this project.

Ensuring a Better Health Care Experience for Regional Patients

- As part of the Government's strategy to improve access to health care in Geraldton and the Mid West region, \$73.3 million has been provided to redevelop the Geraldton Health Campus (GHC). The commitment includes an upgrade of the emergency and critical care services at GHC. The new facility will provide patients with improved access to health services at a single location with the new health centre being built at the old hospital, thus increasing the quality of health services in rural Western Australia.
- A capital grant of \$0.5 million has also been allocated for the upgrade of the Valley View Residential Aged Care Facility in Collie.

Supporting Our Workforce

- New measures to protect frontline security staff in major hospitals are under development to provide increased protection for health staff, who have seen a significant increase in assaults over recent years. With Government committing \$2.2 million in total to this priority, the Western Australian health system will procure duress alarms and anti-stab vests to protect at-risk frontline health and security staff, especially those performing home visits and working at remote nursing posts.

Longer Term Election Commitments - Delivering Quality Health Care for Patients

- The Government remains committed to delivering its longer term election commitments, including:
 - the upgrade of the Collie and Bunbury Hospitals, a renal dialysis service at Newman Hospital, a Magnetic Resonance Imaging scanner at Kalgoorlie and the establishment of a Kimberley Mobile Dialysis Unit;
 - the Review of Regional and Country Ambulance and Royal Flying Doctor Service;
 - investigating options to provide Culturally Appropriate Housing for Regional Visitors, as well as Medihotels and Urgent Care Clinic concepts, in different locations within the Perth metropolitan region;
 - the review of Fremantle Hospital;
 - continued promotion of public involvement and engagement in the health sector under the Ministerial Roundtable on Primary Health Issues. Additionally, the Health Care in Public Hands priority is reviewing opportunities to bring services back into the public sector;
 - consultation with stakeholders to introduce and implement the State Men’s Health and Wellbeing policy, aimed at improving the wellbeing of men in Western Australia;
 - a campaign to reduce Family and Domestic Violence (FDV) with key activities including the provision of routine FDV screening for antenatal patients and FDV training for health workers;
 - a review of the policies and procedures affecting the WA Health workforce including the public sector employment policy, and introduction of contemporary performance management arrangements for nurses; and
 - the Future Health Research and Innovation Fund, which proposes to provide a secure source of funding for Western Australian health and medical research. As part of this election commitment, a new long-term strategic approach to cancer research for Western Australia will be implemented in the form of a 10 year Cancer Research Plan.

Other Health System Priorities

- The Government has provided additional recurrent funding of \$67.8 million towards Non-Hospital Services as part of the 2018-19 Budget, based on updated cost and demand parameters. These funds will help support prevention and promotion, palliative care, patient transport, and Aboriginal health services.
- In recognition of the current financial environment, the WA Health system has sought to reprioritise funding of \$55.9 million from uncommitted funds within the existing Asset Investment Program to fund system priorities and pressures. Implementing these new priorities will ensure the treatment and delivery of patient care is not compromised, and this funding will provide for:
 - \$40 million in capital funding to continue the medical equipment replacement program in 2018-19 and 2019-20;
 - \$10 million in capital funding for the progression of a number of information and communications technology (ICT) requirements that are critical to the operation of key clinical and corporate systems;
 - \$4.4 million in capital funding across the next four years to allow maintenance and minor capital works to occur at the 193-bed public and private Peel Health Campus; and
 - \$1.5 million in capital funding for the replacement of the Philips Heartstart MRx Defibrillators/Monitors.
- A Government priority for the 2017-18 Budget was to support preventive health initiatives through the Western Australian Meningococcal ACWY Vaccination Program, targeting teenagers aged 15-19. The vaccination program has now been expanded, with children aged one to four also being provided access to free Meningococcal ACWY vaccines.
- Aboriginal people make up 3.8% of the Western Australian population, but have the greatest health needs of any group in the State. To support Aboriginal people to live long and healthy lives, current Aboriginal Health services delivered in Western Australia will be maintained and integrated into the WA Health system’s base budget settings.
- Existing aged care and disability services provided in Western Australia under the HACC Program will transfer to the Commonwealth as a result of the bilateral agreements for the National Disability Insurance Scheme (NDIS) transition and for revised responsibilities for aged care services. WA Health is working with the Department of Communities to manage the complexities of the current HACC clients prior to transitioning to the NDIS.

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 Goals	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	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual ^(a) \$'000	Budget \$'000 ^(a)	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Public Hospital Admitted Services	4,152,870	4,253,002	4,230,771	4,285,345	4,420,334	4,558,687	4,688,612
2. Public Hospital Emergency Services	748,352	804,479	814,258	854,477	881,393	908,981	934,887
3. Public Hospital Non-Admitted Services	797,690	838,848	835,620	883,984	911,829	940,370	967,170
4. Mental Health Services	680,760	714,477	728,516	744,043	765,546	789,737	816,904
5. Aged and Continuing Care Services	575,407	513,317	546,387	283,047	271,119	267,225	267,743
6. Public and Community Health Services	1,047,544	1,010,336	1,048,939	964,249	923,614	910,348	957,970
7. Community Dental Health Services	108,751	110,192	106,687	104,711	100,298	98,858	99,049
8. Small Rural Hospital Services	287,022	264,304	266,938	267,553	278,862	287,591	337,663
9. Health System Management - Policy and Corporate Services	192,833	194,425	198,679	183,943	176,191	173,661	173,998
10. Health Support Services	237,844	238,193	247,729	236,217	226,262	223,013	223,445
Total Cost of Services	8,829,073	8,941,573	9,024,524	8,807,569	8,955,448	9,158,471	9,467,441

(a) The 2016-17 Actual and the 2017-18 Budget Total Cost of Services has been recast where applicable as a result of the transfer of the Fresh Start Recovery Program to the Mental Health Commission and the transfer to the Office of the Chief Psychiatrist.

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual ^(b)	2017-18 Budget	2017-18 Estimated Actual ^(b)	2018-19 Budget Target	Note
Outcome: Public hospital-based services that enable effective treatment and restorative health care for Western Australians:					
Percentage of elective waitlist patients waiting over boundary for reportable procedures ^{(c) (d)}					
% Category 1 over 30 days	16.3%	nil	18.9%	nil	
% Category 2 over 90 days	16.8%	nil	13.8%	nil	
% Category 3 over 365 days	2.6%	nil	3.1%	nil	
Survival rates for sentinel conditions ^{(c) (d) (e) (f)}					
Stroke					
0-49 years	94.1%	94.3%	94.9%	94.4%	
50-59 years	95.7%	92.4%	94.1%	93.3%	
60-69 years	93.4%	92.8%	95.4%	92.9%	
70-79 years	92.1%	89.5%	93.3%	90%	
80+	85.2%	80.9%	87.6%	82.2%	
Acute myocardial infarction					
0-49 years	99.1%	99.2%	98.8%	99.1%	
50-59 years	99.1%	98.9%	99.1%	98.9%	
60-69 years	98.3%	98.1%	98.1%	98%	
70-79 years	96.1%	96.1%	97%	96.3%	
80+	90.9%	91.7%	92.9%	91.9%	
Fractured neck of femur					
70-79 years	98.5%	98.9%	99.5%	98.7%	
80+	97%	95.3%	97.3%	95.3%	
Percentage of live-born term infants with an Apgar score of less than 7 at five minutes post-delivery ^{(d) (e) (g)}					
	1.6%	≤1.8%	1.4%	≤1.8%	
Total hospital readmissions within 28 days to an acute designated mental health inpatient unit ^{(c) (d) (e) (h)}					
	17.3%	≤12%	16.3%	≤12%	
Outcome: Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives:					
Percentage of fully immunised children ^{(e) (i)}					
12 months					
Aboriginal	88%	≥95%	88%	≥95%	
Non-Aboriginal	93.2%	≥95%	93.9%	≥95%	
2 years					
Aboriginal	83.8%	≥95%	83.1%	≥95%	
Non-Aboriginal	90.5%	≥95%	89.8%	≥95%	
5 years					
Aboriginal	94.1%	≥95%	95.7%	≥95%	
Non-Aboriginal	91.3%	≥95%	92.2%	≥95%	
Percentage of eligible schoolchildren 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 Western Australian Health Service Providers and the Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services ^(k)					
	47.7%	≥50%	50%	≥50%	

- (a) Further detail in support of the key effectiveness indicators (KEIs) is provided in the agency's Annual Report.
- (b) The reported 2016-17 Actual should be interpreted with caution as it is based on previously unpublished and unaudited data. The reported 2017-18 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 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) KEI data include services delivered through State public hospitals and services contracted from selected private hospitals.
- (e) KEI is reported for the calendar year.
- (f) 2017-18 Budget is the average result for calendar year periods from 2011 to 2015. The 2018-19 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) KEI is the rate of readmissions within 28 days.
- (i) This is a State-wide service for Western Australia which is coordinated and reported by the Department of Health.
- (j) 2016-17 Actual is for the 2016 calendar year. As of the 2017-18 Estimated Actual is based on financial year enrolled figures. KEI is reported by NMHS.
- (k) Reported by Health Support Services.

Services and Key Efficiency Indicators

1. Public Hospital Admitted Services

The provision of health care 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'.

	2016-17 Actual	2017-18 Budget ^(a)	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	4,152,870	4,253,002	4,230,771	4,285,345	
Less Income	1,796,286	1,743,686	1,743,778	1,813,431	
Net Cost of Service	2,356,584	2,509,316	2,486,993	2,471,914	
Employees (Full Time Equivalents)	17,227	17,400	17,488	17,674	
Efficiency Indicators					
Average Admitted Cost per Weighted Activity Unit.....	\$7,222	\$7,285	\$7,186	\$6,948	

(a) The 2017-18 Budget key performance indicator (KPI) targets have been recast to ensure comparability for the inclusion of the budget for Teaching, Training and Research and PathWest Resources Received Free of Charge used in deriving the 2016-17 Actual, 2017-18 Estimated Actual and the 2018-19 Budget Target.

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'.

	2016-17 Actual	2017-18 Budget ^(a)	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	748,352	804,479	814,258	854,477	
Less Income	298,635	285,788	284,199	301,109	
Net Cost of Service	449,717	518,691	530,059	553,368	
Employees (Full Time Equivalents)	2,376	2,399	2,462	2,495	
Efficiency Indicators					
Average Emergency Department Cost per Weighted Activity Unit.....	\$6,763	\$7,043	\$7,068	\$7,072	

(a) The 2017-18 Budget KPI targets have been recast to ensure comparability for the inclusion of the budget for Teaching, Training and Research and PathWest Resources Received Free of Charge used in deriving the 2016-17 Actual, 2017-18 Estimated Actual and the 2018-19 Budget Target.

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'.

	2016-17 Actual	2017-18 Budget ^(a)	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 797,690	\$'000 838,848	\$'000 835,620	\$'000 883,984	
Less Income	458,939	472,500	470,121	496,519	
Net Cost of Service	338,751	366,348	365,499	387,465	
Employees (Full Time Equivalents)	3,257	3,631	3,364	3,404	
Efficiency Indicators					
Average Non-Admitted Cost per Weighted Activity Unit	\$6,628	\$7,160	\$7,076	\$7,136	

(a) The 2017-18 Budget KPI targets have been recast to ensure comparability for the inclusion of the budget for Teaching, Training and Research and PathWest Resources Received Free of Charge used in deriving the 2016-17 Actual, 2017-18 Estimated Actual and the 2018-19 Budget Target.

4. Mental Health Services

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

	2016-17 Actual	2017-18 Budget ^{(a) (b)}	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 680,760	\$'000 714,477	\$'000 728,516	\$'000 744,043	
Less Income	667,418	693,983	708,859	719,067	
Net Cost of Service	13,342	20,494	19,657	24,976	
Employees (Full Time Equivalents)	4,018	4,017	4,159	4,082	
Efficiency Indicators					
Average Cost per Bed-day in Specialised Mental Health Inpatient Units ^(b)	\$1,327	\$1,519	\$1,506	\$1,545	
Average Cost per Treatment Day of Non-Admitted Care Provided by Public Clinical Mental Health Services.....	\$551	\$535	\$511	\$491	

(a) The 2017-18 Budget Total Cost of Service has been recast as a result of the transfer of the Fresh Start Recovery Program to the Mental Health Commission and the transfer to the Office of the Chief Psychiatrist.

(b) The 2017-18 Budget KPI targets have been recast to ensure comparability for the inclusion of the budget for Teaching, Training and Research and PathWest Resources Received Free of Charge used in deriving the 2016-17 Actual, 2017-18 Estimated Actual and the 2018-19 Budget Target.

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 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.

	2016-17 Actual	2017-18 Budget ^(a)	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 575,407	\$'000 513,317	\$'000 546,387	\$'000 283,047	1
Less Income	259,306	343,770	344,605	136,299	2
Net Cost of Service	316,101	169,547	201,782	146,748	
Employees (Full Time Equivalents)	995	968	1,005	961	
Efficiency Indicators					
Average Cost of a Transition Care Day Provided by Contracted Non-government Organisations/Service Providers ^(b)	\$308	\$343	\$338	\$348	
Average Cost per Bed-day for Specified Residential Care Facilities, Flexible Care (Hostels) and Nursing Home Type Residents.....	\$526	\$321	\$309	\$294	
Average Cost per Bed-day for Western Australian Quadriplegic Centre Specialist Accommodation.....	\$727	\$885	\$808	\$818	
Average Cost per Western Australian Quadriplegic Centre Community Client for Clinical and Related Services.....	\$83	\$76	\$82	\$87	
Average Cost per Home-based Hospital Day of Care and Occasion of Service					
Average Cost per Home-based Hospital Day of Care	\$316	\$323	\$325	\$319	
Average Cost per Home-based Occasion of Service.....	\$121	\$130	\$123	\$119	
Average Cost per Client Receiving Contracted Palliative Care Services	\$6,250	\$6,701	\$7,364	\$7,323	
Average Cost per Day of Care for Non-acute Admitted Continuing Care ^(c)	\$714	\$733	\$735	\$710	
Average Cost to Support Patients Who Suffer Specific Chronic Illness and Other Clients Who Require Continuing Care	\$36	\$30	\$28	\$27	

- (a) The 2017-18 Budget Total Cost of Service and income figures have been recast as a result of the reallocation of the Commonwealth Multi-Purpose Services Program in the 2017-18 Estimated Actual and the 2018-19 Budget Target.
- (b) The 2017-18 Budget KPI target has been recast to ensure comparability for the inclusion of the budget for the purchase of additional transitional care beds used in deriving 2017-18 Estimated Actual and the 2018-19 Budget Target.
- (c) The 2017-18 Budget KPI target has been recast to ensure comparability for the inclusion of the contract value for St John Of God Mount Lawley used in deriving the 2016-17 Actual, 2017-18 Estimated Actual and the 2018-19 Budget Target.

Explanation of Significant Movements

(Notes)

1. The decrease in the 2018-19 Budget Target compared with the 2017-18 Estimated Actual is mainly due to the transfer of existing aged care and disability services provided in Western Australia under the HACC Program to the Commonwealth, as a result of the bilateral agreements for the NDIS transition and revised responsibilities for aged care services.
2. The decrease in the 2018-19 Budget Target compared with the 2017-18 Estimated Actual is mainly due to the reduction in Commonwealth revenue for the HACC Program.

6. Public and Community Health Services

The provision of health care 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.

	2016-17 Actual	2017-18 Budget ^(a)	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 1,047,544	\$'000 1,010,336	\$'000 1,048,939	\$'000 964,249	
Less Income	141,818	120,097	159,587	131,637	1,2
Net Cost of Service	905,726	890,239	889,352	832,612	
Employees (Full Time Equivalents)	4,151	3,867	4,220	4,129	
Efficiency Indicators					
Average Cost per Person of Delivering Population Health Programs by Population Health Units	\$111	\$103	\$111	\$104	
Cost per Person of Providing Preventative Interventions, Health Promotion and Health Protection Activities that Reduce the Incidence of Disease or Injury	\$42	\$37	\$39	\$38	
Average Cost per Breast Screening	\$156	\$157	\$167	\$165	
Cost per Trip for Road-based Ambulance Services, Based on the Total Accrued Costs of These Services for the Total Number of Trips	\$473	\$455	\$417	\$433	
Cost per Trip of Patient Emergency Air-based Transport, Based on the Total Accrued Costs of These Services for the Total Number of Trips	\$8,474	\$7,235	\$7,285	\$7,244	
Average Cost per Trip of Patient Assisted Travel Scheme	\$438	\$377	\$404	\$431	

(a) The 2017-18 Budget Total Cost of Service figure has been recast as a result of the reallocation to Aged and Continuing Care Services of the Commonwealth Multi-Purpose Services Program in the 2017-18 Estimated Actual and the 2018-19 Budget Target.

Explanation of Significant Movements

(Notes)

1. The increase in the 2017-18 Estimated Actual relative to the 2017-18 Budget is due to additional Commonwealth funding provided under the National Partnership Agreement for Essential Vaccines.
2. The decrease in 2018-19 Budget Target relative to the 2017-18 Estimated Actual is due to the provision of capital funds in 2017-18 only for the Telethon Kids Institute and the King's Park Link Bridge infrastructure projects.

7. Community Dental Health Services

Dental health services include the school dental service (providing dental health assessment and treatment for schoolchildren); 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.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 108,751	\$'000 110,192	\$'000 106,687	\$'000 104,711	
Less Income	17,134	9,840	21,953	20,311	1
Net Cost of Service	91,617	100,352	84,734	84,400	
Employees (Full Time Equivalents)	703	700	691	691	
Efficiency Indicators					
Average Cost per Patient Visit of WA Health Provided Dental Health					
Programs for:					
Schoolchildren	\$211	\$208	\$193	\$184	
Social-economically Disadvantaged Adults	\$300	\$305	\$295	\$283	

Explanation of Significant Movements

(Notes)

- The increase in the 2017-18 Estimated Actual relative to the 2017-18 Budget is due to additional Commonwealth funding provided under the National Partnership Agreement for Adult Dental Services.

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.

	2016-17 Actual	2017-18 Budget ^(a)	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 287,022	\$'000 264,304	\$'000 266,938	\$'000 267,553	
Less Income	180,207	131,698	118,894	124,282	
Net Cost of Service	106,815	132,606	148,044	143,271	
Employees (Full Time Equivalents)	1,099	1,039	1,110	1,126	
Efficiency Indicators					
Average Cost per Rural and Remote Population (Selected Small Rural Hospitals).....					
	\$426	\$390	\$379	\$369	

(a) The 2017-18 Budget income figure has been recast as a result of the reallocation to Aged and Continuing Care Services of the Commonwealth Multi-Purpose Services Program in the 2017-18 Estimated Actual and the 2018-19 Budget Target.

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.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 192,833	\$'000 194,425	\$'000 198,679	\$'000 183,943	
Less Income	5,373	8,580	7,938	7,329	
Net Cost of Service	187,460	185,845	190,741	176,614	
Employees (Full Time Equivalents)	859	755	828	793	
Efficiency Indicators					
Average Cost of Public Health Regulatory Services per Head of Population	\$4	\$4	\$4	\$4	
Average Cost per Health Service Provider Full Time Equivalent Worker for the Department of Health to Deliver the System Manager Functions of Providing Strategic Leadership, Planning and Support.....	\$5,285	\$5,394	\$5,462	\$5,069	

10. Health Support Services

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

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 237,844	\$'000 238,193	\$'000 247,729	\$'000 236,217	
Less Income	1,240	1,861	1,861	509	1
Net Cost of Service	236,604	236,332	245,868	235,708	
Employees (Full Time Equivalents)	1,004	1,015	1,019	969	
Efficiency Indicators					
Average Cost of Accounts Payable Services per Transaction.....	\$5	\$5	\$8	\$8	2
Average Cost of Accounts Receivable Services per Transaction.....	\$30	\$28	\$16	\$16	2
Average Cost of Payroll and Support Services to Health Support Services' Clients.....	\$1,093	\$981	\$930	\$903	
Average Cost of Supply Services by Purchasing Transaction.....	\$50	\$46	\$40	\$38	2
Average Cost of Providing ICT Services to Health Support Services' Clients.....	\$4,347	\$4,423	\$4,746	\$4,494	

Explanation of Significant Movements

(Notes)

- The decrease in the 2018-19 Budget Target compared with the 2017-18 Estimated Actual is due to a decrease in Commonwealth revenue provided by the Australian Digital Health Agency.
- The variances between the 2017-18 Estimated Actual and 2017-18 Budget result from changes in the Health Support Services costing and pricing model as a result of client engagement.

Asset Investment Program

To ensure that Western Australians have access to safe and quality health care delivered in world class health facilities, approximately \$6.1 billion has been committed for 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 into the redevelopment and expansion of country hospitals.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
Equipment Replacement Program	472,228	425,315	26,977	26,913	20,000	-	-
Hospitals, Health Centres and Community Facilities							
Armadale Kelmscott Hospital - Development	10,956	10,770	1,498	186	-	-	-
Ausman	5,345	2,510	2,510	2,835	-	-	-
Bunbury, Narrogin and Collie Hospitals - Pathology							
Laboratories Redevelopment	6,786	4,929	481	1,857	-	-	-
Busselton Health Campus	115,158	113,558	1,516	1,600	-	-	-
Carnarvon Hospital Redevelopment	25,282	23,993	508	1,289	-	-	-
Carnarvon Residential Aged Care Facility	11,577	1,000	1,000	8,000	2,577	-	-
Derby Community Health Service	3,700	1,000	1,000	2,700	-	-	-
Digital Innovation - Capital	5,329	4,054	625	1,275	-	-	-
District Hospital Investment Program	162,871	135,788	85,640	24,703	2,380	-	-
East Kimberley Development Package	38,542	38,372	-	170	-	-	-
Eastern Wheatbelt District (Including Merredin) Stage 1	7,881	1,298	1,000	5,000	1,583	-	-
Election Commitments							
Joondalup Health Campus (JHC) Development							
Stage 2	158,000	2,650	2,650	1,950	27,125	44,693	46,029
Royal Perth Hospital (RPH) Mental Health							
Observation Area (MHOA)	11,785	200	200	2,779	8,806	-	-
Esperance Health Campus Redevelopment	31,871	29,496	433	2,367	-	-	8
Fremantle General Dental Clinic	2,990	1,495	1,495	1,495	-	-	-
Hedland Regional Resource Centre Stage 2	136,194	134,876	4	1,318	-	-	-
JHC MHOA	6,754	6,648	2,634	106	-	-	-
Kalamunda District Community Hospital Infrastructure							
Upgrade	1,740	1,450	1,450	290	-	-	-
Kalgoorlie Regional Resource Centre Redevelopment							
Stage 1	57,166	56,366	1,135	800	-	-	-
Karratha Health Campus - Development	207,118	157,153	95,000	48,350	1,283	-	332
King Edward Memorial Hospital (KEMH)							
Neo-natal Intensive Care Unit	1,115	987	987	128	-	-	-
Holding	1,380	1,056	-	324	-	-	-
Metropolitan Plan Implementation							
Peel Health Campus - Development Stage 1	6,136	511	495	1,947	1,163	1,050	1,465
Newman Health Service Redevelopment Project	47,433	1,000	1,000	8,000	30,000	8,000	433
National Partnership Agreement - Improving Public							
Hospital Services	87,812	86,812	11,014	1,000	-	-	-
Onslow Hospital	41,624	24,624	18,864	17,000	-	-	-
Osborne Park Hospital - Reconfiguration Stage 1	273	261	-	-	-	12	-
PathWest - Laboratory Equipment and Asset							
Replacement/Maintenance	3,000	1,000	1,000	2,000	-	-	-
Perth Children's Hospital (PCH) - Development	1,167,450	1,166,160	72,897	1,290	-	-	-
Primary Health Centres Demonstration Program	32,583	15,177	10,406	16,322	1,084	-	-
Queen Elizabeth II Medical Centre (QEII) Hospital							
Avenue	4,545	338	169	4,207	-	-	-
Reconfiguring the Western Australian Spinal Cord							
Injury Service	43,298	4,166	4,154	38,532	600	-	-
Remote Indigenous Health	24,022	19,840	2,800	4,182	-	-	-
Renal Dialysis - Capital	1,950	200	200	1,750	-	-	-
Renal Dialysis and Support Services	45,361	31,682	11,370	11,089	2,590	-	-
RPH							
Helipad	6,471	80	80	6,391	-	-	-
Redevelopment Stage 1	14,667	14,572	4,607	95	-	-	-
Sarich Neuroscience Research Institute Centre	35,422	32,515	482	2,907	-	-	-
Sir Charles Gairdner Hospital (SCGH) Redevelopment							
Stage 1	7,565	3,565	-	4,000	-	-	-
Small Hospital and Nursing Post Refurbishment							
Program	101,786	80,778	31,194	19,573	1,435	-	-
Strengthening Cancer Services - Regional Cancer							
Patient Accommodation	4,379	2,779	692	1,600	-	-	-
Narrogin Cancer Centre	2,000	250	250	1,750	-	-	-
Northam Cancer Centre	3,500	500	500	2,500	500	-	-
Tom Price Hospital Redevelopment	5,250	250	250	-	-	5,000	-
Upper Great Southern District (Including Narrogin)							
Stage 1	10,497	379	-	8,000	2,118	-	-

	Estimated Total Cost	Estimated Expenditure to 30-6-18	2017-18 Estimated Expenditure	2018-19 Budget Estimate	2019-20 Forward Estimate	2020-21 Forward Estimate	2021-22 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ICT Equipment and Infrastructure							
Continued Roll-out of the Patient Administration System	13,321	11,744	10,998	1,577	-	-	-
Fiona Stanley Hospital (FSH)							
ICT Commissioning.....	30,554	27,706	2,426	2,848	-	-	-
da Vinci System	4,950	4,500	4,500	450	-	-	-
Facilities Management Services Contract Asset Solution....	15,188	11,090	10,500	4,098	-	-	-
Intensive Care Clinical Information Systems.....	4,200	3,781	120	419	-	-	-
ICT Minor Works Program	12,491	3,991	2,020	3,500	5,000	-	-
Infection Prevention and Control System.....	2,382	258	200	2,124	-	-	-
Psychiatric Services Online Information System.....	1,478	728	728	750	-	-	-
Replacement of Medical Imaging System (PACS-RIS)	52,441	3,655	2,921	21,538	3,144	3,365	3,602
Replacement of PathWest's Laboratory Information Systems	19,587	13,320	9,309	6,267	-	-	-
Replacement of the Monitoring of Drugs and Dependence System.....	922	411	411	435	76	-	-
Other Projects							
Country - Transport Initiatives.....	3,228	150	150	650	2,428	-	-
Enhancing Health Services for the Pilbara in Partnership with Industry.....	7,338	7,245	-	-	-	-	93
Minor Buildings Works	153,875	146,524	2,771	4,351	3,000	-	-
WA Country Health Service Picture Archiving and Communication System (PACS) - Regional Resource Centre.....	6,260	4,390	237	1,870	-	-	-
COMPLETED WORKS							
Equipment							
BreastScreen WA - Digital Mammography Technology....	12,639	12,639	168	-	-	-	-
Election Commitment - Expand the Ear Bus Program.....	230	230	230	-	-	-	-
Medical Accounts Assessment System	2,282	2,282	1,697	-	-	-	-
Hospitals, Health Centres and Community Facilities							
Adult Mental Health Unit Overrun	3,352	3,352	3,352	-	-	-	-
Albany Hospice Car Park.....	688	688	58	-	-	-	-
Broome Regional Resource Centre - Redevelopment							
Stage 1.....	41,894	41,894	294	-	-	-	-
Country Staff Accommodation Stage 3.....	27,422	27,422	185	-	-	-	-
FSH - Development	1,584,691	1,584,691	1,115	-	-	-	-
Fremantle Hospital and Health Service							
Reconfiguration.....	2,501	2,501	71	-	-	-	-
Government Office Accommodation Reform Program.....	170	170	170	-	-	-	-
Graylands Hospital Redevelopment - High Priority							
Ligature Risk Remediation	96	96	96	-	-	-	-
Harvey Health Campus Redevelopment.....	12,769	12,769	2,053	-	-	-	-
JHC Telethon Paediatric Ward	12,037	12,037	137	-	-	-	-
KEMH Maternal Fetal Assessment	5,379	5,379	1	-	-	-	-
King's Park Link Bridge.....	6,700	6,700	6,700	-	-	-	-
Metropolitan Plan Implementation - JHC Mental Health							
Unit Anti-Ligature Point Rectification.....	865	865	865	-	-	-	-
OPH Additional Parking Facility	3,252	3,252	1,523	-	-	-	-
Point of Care Network for Pathology Testing.....	551	551	219	-	-	-	-
Princess Margaret Hospital (PMH)							
Holding.....	6,245	6,245	4,119	-	-	-	-
Interim Holding Works at Existing PMH Site	995	995	995	-	-	-	-
QEIMC - New Central Plant Facility.....	211,797	211,797	102	-	-	-	-
SCGH Catheter Laboratory 2 Upgrade.....	584	584	44	-	-	-	-
St John of God Midland Public Hospital.....	348,376	348,376	288	-	-	-	-
State Epilepsy Service Relocation.....	1,331	1,331	63	-	-	-	-
Strengthening Cancer Services in Regional							
Western Australia - Geraldton Cancer Centre.....	3,775	3,775	119	-	-	-	-
Telethon Kids Institute Fit-out - PCH	2,900	2,900	2,900	-	-	-	-
ICT Equipment and Infrastructure							
FSH - ICT - Pharmacy Automation	8,941	8,941	1,846	-	-	-	-
i.Pharmacy.....	1,364	1,364	548	-	-	-	-
PCH - ICT	173,639	173,639	30,012	-	-	-	-
Upgrade of PABX Infrastructure at SCGH and KEMH	2,131	2,131	24	-	-	-	-
Other Projects - Country Staff Accommodation Stage 4	8,128	8,128	2,182	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
NEW WORKS							
Equipment - Replacement of MRx Defibrillators.....	1,535	-	-	1,535	-	-	-
Hospitals, Health Centres and Community Facilities							
CT Scanner for PathWest at State Mortuary (SCGH).....	1,073	-	-	1,073	-	-	-
Dongara Aged Care.....	1,000	-	-	1,000	-	-	-
Election Commitments							
FSH Birthing Centre.....	1,828	-	-	1,828	-	-	-
Geraldton Health Campus Redevelopment.....	73,336	-	-	-	1,792	2,224	36,654
Osborne Park Hospital.....	24,886	-	-	3,088	13,551	8,174	73
Fremantle Hospital - Reconfiguration Stage 1.....	2,000	-	-	-	-	2,000	-
RPH - Fire Risk.....	9,682	-	-	3,962	4,200	1,520	-
Total Cost of Asset Investment Program	6,110,071	5,369,620	510,634	353,933	136,435	76,038	88,689
Loan and Other Repayments.....			84,191	57,312	45,184	27,721	18,365
Total.....	6,110,071	5,369,620	594,825	411,245	181,619	103,759	107,054
FUNDED BY							
Capital Appropriation.....			200,255	114,920	100,904	38,465	19,903
Commonwealth Grants.....			14,480	10,030	-	-	-
Other Grants and Subsidies			22,995	5,538	-	-	-
Funding Included in Department of Treasury							
Administered Item.....			37,934	54,904	33,297	50,070	49,631
Perth Children's Hospital			38,147	1,290	-	-	-
Internal Funds and Balances.....			78,823	45,042	36,867	8,000	866
Drawdowns from Royalties for Regions Fund			202,191	179,521	10,551	7,224	36,654
Total Funding.....			594,825	411,245	181,619	103,759	107,054

Financial Statements

Income Statement

Expenses

The estimated Total Cost of Services is projected to reduce by \$217 million (2.4%) between the 2017-18 Estimated Actual and the 2018-19 Budget Estimate. The decrease in forecast expenditure is largely attributable to transitioning responsibilities for Aged Care and Disability Services in Western Australia to the Commonwealth from 1 July 2018, 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 \$343.4 million between the 2017-18 Estimated Actual and the 2018-19 Budget Estimate. Total assets are projected to increase by \$286.1 million whilst liabilities are projected to decrease by \$57.3 million. The projected increase in total assets is attributable to a number of significant health infrastructure projects currently under construction including:

- ongoing redevelopment and expansion of facilities in Western Australia's Southern Inland region (\$77.5 million);
- Karratha Health Campus (\$48.4 million);
- reconfiguring the Western Australian Spinal Cord Injury Service (\$38.5 million);
- equipment replacement program (\$26.9 million);
- replacement of medical imaging system (\$21.5 million);
- Onslow Hospital (\$17 million);
- Renal Dialysis and Support Services (\$11.1 million);
- Carnarvon Residential Aged Care Facility (\$8 million);
- redevelopment of Newman Health Service (\$8 million);
- Royal Perth Hospital Helipad (\$6.4 million); and
- replacement of PathWest's Laboratory Information Systems (\$6.3 million).

Statement of Cashflows

The estimated cash balance at 30 June 2019 of \$616.9 million is \$67.2 million (9.8%) lower than the estimated cash position at 30 June 2018. 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)**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	4,720,285	4,984,334	4,984,134	5,020,907	5,085,528	5,150,417	5,321,896
Grants and subsidies ^(c)	64,716	72,556	77,343	76,772	77,660	79,418	80,936
Supplies and services	1,006,397	955,073	955,600	758,080	765,510	793,639	833,827
Accommodation	101,946	75,035	61,787	57,833	65,283	75,937	87,953
Depreciation and amortisation	323,009	378,586	355,109	405,065	392,112	378,819	339,628
Direct patient support costs	979,943	1,098,525	1,035,732	1,017,708	1,036,817	1,062,267	1,096,797
Indirect patients support costs	218,098	266,791	214,742	209,860	214,544	220,234	225,244
Private sector contract costs	757,277	684,279	828,202	810,576	827,308	847,561	865,175
Visiting medical practitioner costs	137,231	134,552	133,531	130,693	133,638	137,217	140,374
Other expenses	521,114	292,796	378,344	320,075	357,048	412,962	475,611
TOTAL COST OF SERVICES	8,830,016	8,942,527	9,024,524	8,807,569	8,955,448	9,158,471	9,467,441
Income							
Sale of goods and services	338,728	341,551	341,551	341,924	344,188	346,430	355,522
Grants and subsidies	447,400	448,101	457,192	179,521	129,866	129,681	126,312
National Health Reform Agreement	1,926,237	1,938,408	1,926,785	2,060,366	2,190,820	2,281,487	2,377,309
Service Delivery Agreement	653,943	673,800	688,518	699,135	719,372	742,096	767,603
Recoveries	330,970	303,165	303,165	328,378	339,661	351,349	351,349
Resources received free of charge							
Commonwealth	31,210	10,810	47,668	48,335	49,257	50,934	50,934
Other revenue	97,868	95,968	96,916	92,834	96,330	100,946	100,945
Total Income	3,826,356	3,811,803	3,861,795	3,750,493	3,869,494	4,002,923	4,129,974
NET COST OF SERVICES	5,003,660	5,130,724	5,162,729	5,057,076	5,085,954	5,155,548	5,337,467
INCOME FROM STATE GOVERNMENT							
Service appropriations	5,139,298	5,053,178	5,057,339	4,947,630	4,983,947	5,060,287	5,242,847
Resources received free of charge	2,554	6,888	6,888	6,888	6,888	6,888	6,888
Royalties for Regions Fund:							
Regional Community Services Fund	28,895	29,361	26,008	56,972	58,259	54,632	54,732
Regional Infrastructure and Headworks Fund	15,020	47,334	37,984	38,313	35,590	33,000	33,000
TOTAL INCOME FROM STATE GOVERNMENT	5,185,767	5,136,761	5,128,219	5,049,803	5,084,684	5,154,807	5,337,467
SURPLUS/(DEFICIENCY) FOR THE PERIOD	182,107	6,037	(34,510)	(7,273)	(1,270)	(741)	-

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

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 35,689, 36,346 and 36,324 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate (a)	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Aged and Continuing Care Services	15,594	17,481	18,636	18,499	18,713	19,136	19,502
Community Dental Health Services.....	50	56	60	59	60	61	62
Health Support Services.....	2,795	3,133	3,340	3,316	3,354	3,430	3,496
Health System Management - Policy and Corporate Services	12,472	13,981	14,905	14,795	14,966	15,305	15,597
Mental Health Services.....	71	80	85	84	85	87	89
Public and Community Health Services	32,316	36,235	38,622	38,336	38,780	39,659	40,417
Public Hospital Admitted Services.....	1,391	1,560	1,662	1,650	1,669	1,707	1,740
Public Hospital Emergency Services.....	1	1	1	1	1	1	1
Public Hospital Non-Admitted Services	13	14	16	16	16	16	16
Small Rural Hospital Services	13	15	16	16	16	16	16
TOTAL	64,716	72,556	77,343	76,772	77,660	79,418	80,936

(a) The 2018-19 Budget Estimate and forward estimates period have been projected on a similar proportion as the 2016-17 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)**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	499,176	178,320	404,858	320,305	313,938	313,938	313,938
Restricted cash.....	322,748	328,899	260,081	277,436	246,379	238,379	237,513
Holding account receivables.....	-	46,981	3,712	3,819	3,926	4,033	4,140
Receivables.....	245,311	223,133	245,311	245,311	245,311	245,311	245,311
Inventories.....	41,396	42,240	49,396	49,396	49,396	49,396	49,396
Other.....	24,972	38,355	24,313	23,628	22,915	22,174	22,174
Assets held for sale.....	12,489	-	12,489	12,489	12,489	12,489	12,489
Total current assets.....	1,146,092	857,928	1,000,160	932,384	894,354	885,720	884,961
NON-CURRENT ASSETS							
Holding account receivables.....	2,780,572	3,112,176	3,131,969	3,536,927	3,928,932	4,307,644	4,647,165
Property, plant and equipment.....	7,748,091	7,940,174	7,892,408	7,863,226	7,629,168	7,349,471	7,113,821
Intangibles.....	304,283	291,602	307,022	287,919	269,344	252,121	236,832
Restricted cash.....	19,154	-	19,154	19,154	19,154	19,154	19,154
Other.....	18,820	13,080	19,289	16,442	13,398	7,537	7,537
Total non-current assets.....	10,870,920	11,357,032	11,369,842	11,723,668	11,859,996	11,935,927	12,024,509
TOTAL ASSETS.....	12,017,012	12,214,960	12,370,002	12,656,052	12,754,350	12,821,647	12,909,470
CURRENT LIABILITIES							
Employee provisions.....	844,063	834,964	837,303	837,303	837,303	837,303	837,303
Payables.....	452,746	438,764	452,746	452,746	452,746	452,746	452,746
Salaries and wages.....	70,029	63,859	70,029	70,029	70,029	70,029	70,029
Other.....	82,519	82,163	79,649	71,447	59,254	51,385	46,463
Total current liabilities.....	1,449,357	1,419,750	1,439,727	1,431,525	1,419,332	1,411,463	1,406,541
NON-CURRENT LIABILITIES							
Employee provisions.....	206,464	209,120	206,388	206,388	206,388	206,388	206,388
Borrowings.....	179,221	110,410	115,452	66,342	33,351	13,499	56
Total non-current liabilities.....	385,685	319,530	321,840	272,730	239,739	219,887	206,444
TOTAL LIABILITIES.....	1,835,042	1,739,280	1,761,567	1,704,255	1,659,071	1,631,350	1,612,985
EQUITY							
Contributed equity.....	6,973,639	7,491,969	7,434,614	7,785,249	7,930,001	8,025,760	8,131,948
Accumulated surplus/(deficit).....	226,541	136,709	192,031	184,758	183,488	182,747	182,747
Reserves.....	2,981,790	2,847,002	2,981,790	2,981,790	2,981,790	2,981,790	2,981,790
Total equity.....	10,181,970	10,475,680	10,608,435	10,951,797	11,095,279	11,190,297	11,296,485
TOTAL LIABILITIES AND EQUITY.....	12,017,012	12,214,960	12,370,002	12,656,052	12,754,350	12,821,647	12,909,470

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	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	4,743,696	4,674,592	4,702,230	4,542,565	4,591,835	4,681,468	4,903,219
Capital appropriation.....	169,089	243,829	238,189	169,824	134,201	88,535	69,534
Royalties for Regions Fund:							
Regional Community Services Fund.....	28,895	33,905	26,850	62,904	58,259	54,632	54,732
Regional Infrastructure and Headworks Fund	56,065	279,517	239,333	211,902	46,141	40,224	69,654
Other.....	82,411	38,147	38,147	1,290	-	-	-
Net cash provided by State Government	5,080,156	5,269,990	5,244,749	4,988,485	4,830,436	4,864,859	5,097,139
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(4,652,606)	(4,984,334)	(4,990,609)	(5,020,908)	(5,085,529)	(5,150,417)	(5,321,896)
Grants and subsidies	(64,716)	(72,556)	(77,343)	(76,772)	(77,660)	(79,418)	(80,936)
Supplies and services.....	(982,225)	(934,433)	(938,640)	(742,273)	(747,702)	(772,842)	(809,406)
Accommodation	(100,706)	(75,035)	(61,787)	(57,833)	(65,283)	(75,906)	(87,953)
Direct patient support costs	(960,051)	(1,087,715)	(1,024,922)	(1,006,895)	(1,036,813)	(1,062,267)	(1,096,797)
Indirect patient support costs.....	(220,617)	(266,791)	(214,742)	(209,864)	(214,548)	(220,234)	(225,244)
Private sector contract costs.....	(757,277)	(683,620)	(827,543)	(809,890)	(826,595)	(846,820)	(865,175)
Visiting medical practitioner costs.....	(138,816)	(134,552)	(133,531)	(130,693)	(133,638)	(137,217)	(140,374)
GST payment on purchases	(404,825)	(282,117)	(282,117)	(282,117)	(282,117)	(282,117)	(282,117)
Other payments	(406,686)	(297,548)	(342,558)	(282,468)	(309,710)	(366,968)	(432,975)
Receipts ^(b)							
Grants and subsidies	452,573	448,101	457,192	179,521	129,866	129,681	126,312
National Health Reform Agreement.....	1,926,237	1,938,408	1,926,785	2,060,366	2,190,820	2,281,487	2,377,309
Sale of goods and services.....	305,774	332,551	332,551	332,924	335,188	337,430	346,287
GST receipts.....	401,623	282,117	282,117	282,117	282,117	282,117	282,117
Service Delivery Agreement	653,943	673,800	688,518	699,135	719,372	742,096	767,603
Other receipts	430,472	399,133	400,081	421,212	435,991	452,295	452,294
Net cash from operating activities	(4,517,903)	(4,744,591)	(4,806,548)	(4,644,438)	(4,686,241)	(4,769,100)	(4,990,951)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(321,562)	(586,858)	(510,634)	(353,933)	(136,435)	(76,038)	(88,689)
Proceeds from sale of non-current assets	770	-	-	-	-	-	-
Net cash from investing activities	(320,792)	(586,858)	(510,634)	(353,933)	(136,435)	(76,038)	(88,689)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(6,208)	(6,507)	(6,507)	(6,805)	(1,205)	-	-
Payment for finance leases	(72,361)	(60,132)	(77,684)	(50,507)	(43,979)	(27,721)	(18,365)
Net cash from financing activities	(78,569)	(66,639)	(84,191)	(57,312)	(45,184)	(27,721)	(18,365)
NET INCREASE/(DECREASE) IN CASH HELD.....							
	162,892	(128,098)	(156,624)	(67,198)	(37,424)	(8,000)	(866)
Cash assets at the beginning of the reporting period	678,186	635,317	841,078	684,093	616,895	579,471	571,471
Net cash transferred to/from other agencies	-	-	(361)	-	-	-	-
Cash assets at the end of the reporting period	841,078	507,219	684,093	616,895	579,471	571,471	570,605

(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)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Grants and Subsidies							
Commonwealth Grants	397,726	379,277	384,162	126,011	78,105	77,917	74,544
GST Receipts							
GST Input Credits	68,225	78,376	71,422	72,461	74,326	76,190	78,055
GST Receipts on Sales	1,071	1,821	2,208	1,914	2,073	2,231	2,389
Other Receipts							
Proceeds from Services Provided by Environmental Health Services	2,584	2,558	2,507	2,534	2,590	2,594	2,627
Proceeds from Services Provided by Miscellaneous Services	8,001	9,983	7,605	7,982	7,909	8,000	6,139
Proceeds from Services Provided by Reproductive Technology Services	-	19	11	-	-	12	-
TOTAL	477,607	472,034	467,915	210,902	165,003	166,944	163,754

(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**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement	8,830,016	8,942,527	9,024,524	8,807,569	8,955,448	9,158,471	9,467,441
Transfer of the Fresh Start Recovery Program ...	(293)	(293)	-	-	-	-	-
Transfer to the Office of the Chief Psychiatrist ...	(650)	(661)	-	-	-	-	-
Adjusted Total Cost of Services	8,829,073	8,941,573	9,024,524	8,807,569	8,955,448	9,158,471	9,467,441
APPROPRIATIONS							
Service Appropriations as per Income Statement	5,139,298	5,053,178	5,057,339	4,947,630	4,983,947	5,060,287	5,242,847
Transfer of the Fresh Start Recovery Program ...	(293)	(293)	-	-	-	-	-
Transfer to the Office of the Chief Psychiatrist ...	(650)	(661)	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	5,138,355	5,052,224	5,057,339	4,947,630	4,983,947	5,060,287	5,242,847

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.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
State Contribution (WA Health)	2,058,042	2,379,752	2,466,090	2,453,779
State Contribution (Mental Health Commission).....	161,977	153,182	179,079	178,235
Commonwealth Contribution	2,089,057	2,119,975	2,118,763	2,251,621
	4,309,076	4,652,909	4,763,932	4,883,635
Payments:				
Payment to Providers	4,036,970	4,366,203	4,485,184	4,596,038
Payments to State Managed Fund (WA Health).....	198,407	207,208	193,750	207,362
Payments to State Managed Fund (Mental Health Commission).....	73,699	79,498	84,998	80,235
CLOSING BALANCE.....	-	-	-	-

STATE MANAGED FUND SPECIAL PURPOSE ACCOUNT

Account Purpose: The State Managed Fund 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.

	2016-17 Actual \$'000	2017-18 Budget \$'000 ^(a)	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
State Contribution (WA Health)	253,203	346,025	318,363	301,295
State Contribution (Mental Health Commission).....	175,974	180,584	188,845	175,745
Commonwealth Contribution (via State Pool Account).....	198,407	207,208	193,750	207,362
Commonwealth Contribution (State Managed Fund via Mental Health Commission) ^(b)	72,638	78,436	77,859	73,096
	700,222	812,253	778,817	757,498
Payments:				
Payment to Providers	700,222	812,253	778,817	757,498
CLOSING BALANCE.....	-	-	-	-

(a) The 2017-18 Budget for the State Contribution (Mental Health Commission) has been recast to ensure comparability with the methodology used to derive the 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate.

(b) The Commonwealth and State contributions into 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.

Division 22 Mental Health Commission

Part 5 Health

Appropriations, Expenses and Cash Assets

	2016-17 Actual ^(a) \$'000	2017-18 Budget ^(a) \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 50 Net amount appropriated to deliver services.....	684,179	705,954	695,682	706,647	702,987	715,665	730,299
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	809	809	809	809	809	809	811
Total appropriations provided to deliver services	684,988	706,763	696,491	707,456	703,796	716,474	731,110
ADMINISTERED TRANSACTIONS							
Item 51 Mental Health Advocacy Service	2,654	2,627	2,627	2,668	2,719	2,806	2,883
Item 52 Mental Health Tribunal.....	2,653	2,630	2,660	2,590	2,601	2,635	2,646
Item 53 Office of the Chief Psychiatrist.....	2,912	2,943	2,943	3,029	3,127	3,211	3,305
TOTAL ADMINISTERED TRANSACTIONS....	8,219	8,200	8,230	8,287	8,447	8,652	8,834
TOTAL APPROPRIATIONS	693,207	714,963	704,721	715,743	712,243	725,126	739,944
EXPENSES							
Total Cost of Services	863,108	914,357	914,155	918,403	923,941	942,599	970,383
Net Cost of Services ^(a)	694,583	727,450	716,893	725,424	722,179	730,088	746,549
CASH ASSETS ^(b)	30,757	27,692	28,551	28,338	28,121	27,901	27,683

(a) The 2016-17 Actual and 2017-18 Budget financial data have been restated for comparability purposes to account for the transfer from WA Health of the Fresh Start Recovery Program and two employees to the Office of the Chief Psychiatrist.

(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 presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Election Commitments					
Alcohol and Other Drug Residential Rehabilitation and Treatment Service in the South West	-	1,307	2,640	808	2,693
Methamphetamine Action Plan					
Community Treatment Facilities	-	1,457	1,494	1,532	-
Preventing and Reducing Methamphetamine-Related Harm.....	-	400	-	-	-
Senior Executive Service Reduction	(250)	(500)	(500)	(500)	(500)
Step Up/Step Down Mental Health Facility in Geraldton	-	-	-	-	1,800
State-wide Specialist Aboriginal Mental Health Service	-	10,231	5,274	2,724	-
Other					
Alcohol Interlocks Assessment and Treatment Services.....	-	1,429	-	-	-
Government Office Accommodation Reform Program	(7)	(8)	(7)	(6)	(5)
Mental Health Public Hospital Services	2,302	(4,145)	(1,312)	2,134	8,113
New Public Sector Wages Policy					
Hospital Services	-	(1,146)	(3,577)	(6,533)	-
Mental Health Commission.....	(184)	(301)	(446)	(604)	-

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Next Step					
Blood Borne Virus Specialist Training Program	137	-	-	-	-
Royal Australian and New Zealand College of Psychiatrists - Specialist Training Program	100	-	-	-	-
Non-Government Human Services Sector Indexation Adjustment	-	(1,116)	(1,819)	(1,863)	-
Older Adult Pilot Program	(1,915)	-	-	-	-
State Fleet Policy and Procurement Initiatives	(35)	(51)	(56)	(63)	(64)
Transfer of the Fresh Start Recovery Program to the Mental Health Commission	-	300	307	315	315
Voluntary Targeted Separation Scheme ^(a)	139	(372)	(376)	(381)	(387)

(a) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

Prevention

- The Commission, in conjunction with key stakeholders, is developing a Mental Health Prevention, Mental Illness and Alcohol and Other Drug (AOD) Prevention Plan 2018-2025. The goals of the prevention plan are to promote optimal mental health; prevent and reduce the incidence of mental health issues, suicide attempts and suicide; and prevent and reduce drug use and harmful alcohol use in the Western Australian community. This will provide a guide for all stakeholders in the development and implementation of effective, evidence-based primary prevention activities.
- The State-wide suicide prevention strategy, Suicide Prevention 2020: Together We Can Save Lives (Suicide Prevention 2020), received funding of \$25.9 million over four years, from 2015-16 to 2018-19. The Commission has purchased services from government and non-government organisations that are in line with an evidenced-based approach and address the activities outlined in Suicide Prevention 2020.

Services include, but are not limited to:

- the Response to Suicide and Self Harm in Schools program, which provides immediate support for children at-risk and capacity building of staff;
 - the Active Life Enhancing Intervention program, which provides intensive support for people experiencing suicidal or self-harm ideation, or who have attempted suicide and/or engaged in self-harm;
 - the Children and Young People Responsive Suicide Support program providing long-term support for children and young people bereaved by suicide;
 - the Aboriginal Family Wellbeing Project, a two-year pilot project to address the social and emotional wellbeing of Aboriginal people to help prevent self-harm and suicide; and
 - ten suicide prevention coordinators embedded in the health regions across Western Australia.
- As a key initiative of Suicide Prevention 2020, under Action Area One - Greater public awareness and united action across the community, the new Think Mental Health Campaign was developed as part of a comprehensive approach to mental health promotion and mental illness prevention. This campaign contributes to the promotion of mental health and wellbeing, destigmatising mental health issues and assisting the Western Australian community to navigate the range of mental health activities and services available.
 - The Alcohol Think Again: Parents, Young People and Alcohol Campaign (the Campaign) aims to increase awareness of the National Health and Medical Research Council's guidelines that state for children and young people under 18 years of age not drinking alcohol is the safest option. The Campaign has been highly successful, continuously achieving outstanding results in evaluations. Independent national public health surveys have also confirmed the Campaign's success against its objectives.

Community Support

- An important pathway to recovery for people experiencing mental health and/or AOD issues is having safe and stable housing and access to appropriate supports for them to sustain that housing. The Commission and key stakeholders are developing the Western Australian Mental Health, AOD Accommodation and Support Strategy 2018-2025 (the Strategy) to guide stakeholders in the development of appropriate accommodation and support for people with mental health and AOD issues. It is anticipated that the Strategy will be available for public consultation in mid-2018.
- The owner of the 75 bed Franciscan House licensed private psychiatric hostel provided notice of his intention to close by 31 December 2017. All of the residents were relocated to alternate supported accommodation options before the hostel closed. The Commission is contracting an external review to assess the effectiveness of the process of relocation and the outcomes for the individual residents. Early indications are that many of these individuals have experienced significant improvement in their physical and mental health.

Step Up/Step Down

- The development of community mental health step up/step down services in Western Australia was identified as a priority in the Western Australian Mental Health, AOD Services Plan 2015-2025. Two step up/step down services have been established and are operating effectively (22 beds in Joondalup and 10 beds in Rockingham).
- These step up/step down services provide a vital service for people with mental health issues, aiming to support people safely in the community, close to their personal support from family and friends. They provide short-term residential support and individualised care for people following discharge from hospital or those who are in the community experiencing a change in their mental health to avoid the need for a possible hospitalisation. Services include a combination of psychosocial activities and clinical in-reach.
- Planning is underway to establish step up/step down services providing a further 48 beds consistent with the Government's election commitments over the next four years in regional Western Australia in Albany (six beds), Bunbury (10 beds), Kalgoorlie (10 beds), Karratha (six beds), Broome (six beds) and Geraldton (10 beds).

Health Services

- The Department is committed to delivering quality health care to Western Australians. A total of \$699 million will be spent on public health services in 2018-19, including inpatient care, community treatment services and teaching, training and research. This includes 63,435 inpatient weighted activity units, achieved through approximately 15,200 separations from specialised mental health wards.
- Health Services funding primarily relates to hospital beds (inpatient) and community treatment (non-admitted) services.

Community Treatment

- An additional \$18.2 million was approved as part of the 2017-18 Mid-year Review to continue the delivery of the State-wide Specialist Aboriginal Mental Health Service (SSAMHS) from 2018-19 to 2020-21. The SSAMHS provides culturally secure specialised services to Aboriginal people with severe and persistent mental illness in the community across Western Australia. The SSAMHS was approved by the Government as a permanent service, as per other hospital community treatment services.
- The additional funding for the SSAMHS will support the transition of the funding allocated for this service into the Commission's mainstream mental health funding allocation over the next three years. The Commission will work closely with Health Service Providers to ensure smooth transition.

Election Commitment Implementation

Methamphetamine Action Plan

- The Government is implementing 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:
 - approximately \$16 million from 2018-19 to 2021-22 into treatment facilities to provide early intervention and respond to severe methamphetamine dependence. This funding has been allocated to residential rehabilitation services;
 - \$9.3 million in service delivery from 2018-19 to 2021-22 for the establishment of 33 additional AOD low medical withdrawal and residential rehabilitation beds in the South West. The Commission has undertaken a registration of interest for the provision of the additional beds in the South West and will undertake a Request for Tender for services commencing from 1 January 2019;
 - an additional \$4.5 million from 2018-19 to 2020-21 to continue to employ community treatment employees in Community Alcohol and Drug Services across Western Australia to support individuals pre and post-residential rehabilitation, retain people in treatment and prevent relapse;
 - \$0.2 million in 2017-18 to identify and undertake planning and consultation required to address the gaps in AOD treatment services in the Kimberley. The Commission is developing a paper outlining options for future service provision in the Kimberley and to inform local stakeholder consultation later in 2018; and
 - \$0.4 million in 2018-19 for the proactive targeting of youth education and prevention programs to reduce methamphetamine demand and harm.

Step Up/Step Down Services

- The establishment of a 10 bed community mental health step up/step down service in Kalgoorlie was announced in the 2017-18 Budget. Funding from 2018-19 to 2021-22 has been provided, totalling \$9 million for this service (\$5.6 million capital, and \$3.3 million operational). The Commission has commenced work on the planning of this service. It is estimated that it will be operational in 2020.
- The Government has allocated \$7.7 million from 2019-20 to 2021-22 to meet the election commitment of a 10 bed step up/step down service in Geraldton. In 2018-19, the Commission will further progress planning and community consultation for the development of this service.
- The Commission is establishing a six bed step up/step down service in Albany through the use of existing resources to progress the implementation of the election commitment of an additional 20 step up/step down beds. The Commission will appoint a suitably qualified non-government organisation to operate the service in conjunction with the local mental health service. It is anticipated that the Albany step up/step down service will be operational by August 2018.

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 AOD use.	
	Accessible, high quality and appropriate mental health and AOD treatments and supports.	2. Hospital Bed Based Services 3. Community Bed Based Services 4. Community Treatment 5. Community Support

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Prevention	20,542	20,975	20,164	17,899	11,884	11,939	12,069
2. Hospital Bed Based Services	367,770	379,837	384,722	390,076	399,228	410,984	422,716
3. Community Bed Based Services	44,624	61,409	59,068	56,905	56,819	60,136	61,328
4. Community Treatment	383,737	402,385	400,661	405,358	406,642	409,271	422,795
5. Community Support.....	46,435	49,751	49,540	48,165	49,368	50,269	51,475
Total Cost of Services.....	863,108	914,357	914,155	918,403	923,941	942,599	970,383

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17	2017-18	2017-18	2018-19	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: Improved mental health and wellbeing:					
Percentage of the population with high or very high levels of psychological distress ^(b)	9.9%	<=9.9%	9.9%	<=9.9%	
Outcome: Reduced incidence of use and harm associated with AOD 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 ^(c)	21.6%	<=21.6%	18.4%	<=18.4%	
Percentage of the population aged 14 years and over reporting recent use of illicit drugs ^(c)	17%	<=17%	16.8%	<=16.8%	
Rate of hospitalisation for AOD use ^(d)	n/a	n/a	988.3	<988.3	

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Accessible, high quality and appropriate mental health and AOD treatments and supports:					
Readmissions to hospital within 28 days of discharge from acute specialised mental health units (national indicator) ^(e)	17.1%	<=12%	17.3%	<=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) ^(f)	64.1%	>=75%	70.8%	>=75%	
Percentage of closed AOD treatment episodes completed as planned ^(g)	73.5%	>=76%	72.3%	>=76%	
Percentage of contracted non-government mental health services that met the National Standards for Mental Health Services through independent evaluation.....	77.8%	100%	81.3%	100%	2
Percentage of contracted non-government AOD services that met an approved accreditation standard.....	n/a	90%	81%	90%	3
Percentage of the population receiving public clinical mental health care (national indicator).....	2.3%	>=2.3%	2.4%	>=2.4%	
Percentage of the population receiving public AOD treatment.....	n/a	>=0.7%	0.7%	>=0.7%	

- (a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.
- (b) 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 2018-19 Budget Target will therefore remain the same.
- (c) 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 (NDSHS), which is conducted every three years. Results from the 2016 survey are presented; data from the next NDSHS is due to be collected in 2019 and should be available for reporting in 2020.
- (d) This was a new indicator in the 2017-18 Budget Statements; the methodology to be used to report a combined AOD rate was still under development and as such no target was set. The 2017-18 Estimated Actual is based on data from the 2016 calendar year due to quality assurance and checking of hospitalisation data.
- (e) 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 2017-18 Estimated Actual relates to the most recent available data (September 2016 to August 2017).
- (f) 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. Data for the 2017-18 Estimated Actual relates to the most recent available data (September 2016 to August 2017).
- (g) This is an indicator of the quality of AOD treatment supports and reports the percentage of closed episodes in AOD 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 2017-18 Estimated Actual relates to the most recent available data (December 2016 to November 2017).

Explanation of Significant Movements

(Notes)

- 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.
- The proportion of contracted non-government organisations that met the National Standards for Mental Health Services through independent evaluation in 2017-18 was significantly below the 2017-18 Budget. This relates to three of the 16 audited service providers failing to meet the standards. Each of these three providers will be required to take action to comply with all the standards within three months of their initial assessment.
- There are 21 organisations that provide AOD services. Seventeen are accredited and the other four are working towards accreditation (two of which should achieve accreditation by June 2018).

Services and Key Efficiency Indicators

1. Prevention

Prevention in the mental health and AOD sectors includes activities to promote positive mental health, raise awareness of mental illness, prevent suicide and raise awareness about the potential harms of AOD use in the community.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 20,542	\$'000 20,975	\$'000 20,164	\$'000 17,899	1
Less Income	2,583	2,557	2,557	295	1
Net Cost of Service	17,959	18,418	17,607	17,604	
Employees (Full Time Equivalents)	30	30	30	25	1
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 AODs	\$5	\$5	\$5	\$3	
Cost per Person of AOD Campaign Target Groups Who Are Aware of, and Correctly Recall, the Main Campaign Messages ^(a)	n/a	\$0.91	\$0.99	\$0.83	

(a) This indicator reports on the cost efficiency of the AOD campaigns, which are social marketing programs aimed at raising awareness of the risk of AOD-related harms. This was a new indicator in the 2017-18 Budget Statements and as such no historical information is available.

Explanation of Significant Movements

(Notes)

- The decrease in the Total Cost of Service, income and Full Time Equivalents (FTEs) is primarily attributable to the externally funded grant agreements that are yet to be finalised and, as a result the associated costs, income and FTEs are not reflected in the 2018-19 Budget Target.

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. They also include the high medical AOD detoxification unit at Next Step.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 367,770	\$'000 379,837	\$'000 384,722	\$'000 390,076	
Less Income	97,026	110,404	114,846	113,983	
Net Cost of Service	270,744	269,433	269,876	276,093	
Employees (Full Time Equivalents)	65	66	65	64	
Efficiency Indicators					
Average Length of Stay in Purchased Acute Specialised Mental Health Units ^(a)	15 days	<15 days	15 days	<15 days	
Average Cost per Purchased Bed-day in Acute Specialised Mental Health Units ^(a)	\$1,489	\$1,520	\$1,521	\$1,515	
Average Length of Stay in Purchased Sub-acute Specialised Mental Health Units	106 days	<103 days	142 days	<183 days	1
Average Cost per Purchased Bed-day in Sub-acute Specialised Mental Health Units	\$1,419	\$1,467	\$1,330	\$1,401	2
Average Length of Stay in Purchased Hospital in the Home Mental Health Units	24 days	<22 days	21 days	<22 days	
Average Cost per Purchased Bed-day in Hospital in the Home Mental Health Units	\$1,352	\$1,382	\$1,545	\$1,547	3
Average Length of Stay in Purchased Forensic Mental Health Units	34 days	<50 days	39 days	<50 days	
Average Cost per Purchased Bed-day in Forensic Mental Health Units	\$1,338	\$1,383	\$1,418	\$1,437	

(a) This includes the Next Step AOD withdrawal service.

Explanation of Significant Movements

(Notes)

1. This 2017-18 Estimated Actual is significantly higher than the 2017-18 Budget due to the reclassification of a ward from sub-acute to acute in the 2017-18 financial year. This ward was responsible for a comparatively high number of separations with a short length of stay, leading to a significantly higher than anticipated average length of stay. The higher 2018-19 Budget Target is based on the 2017-18 activity, excluding all activity that occurred for the reclassified ward.
2. The 2017-18 Estimated Actual is lower than the 2017-18 Budget due to the reclassification of a ward from sub-acute to acute in the 2017-18 financial year.
3. The 2017-18 Estimated Actual and 2018-19 Budget Target are significantly higher than the 2017-18 Budget due to the introduction of a new model of service which led to a higher average bed cost per day in its initial stages. This new model is expected to lower costs in the longer term.

3. Community Bed Based Services

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

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 44,624	\$'000 61,409	\$'000 59,068	\$'000 56,905	
Less Income	46	40	40	-	
Net Cost of Service	44,578	61,369	59,028	56,905	
Employees (Full Time Equivalents)	8	8	8	8	
Efficiency Indicators					
Average Cost per Purchased Bed-day for 24 Hour Staffed Community Bed Based Services (National Indicator)	n/a	\$360	\$367	\$372	
Average Cost per Purchased Bed-day for Non-24 Hour Staffed Community Bed Based Services (National Indicator)	n/a	\$170	\$177	\$180	
Average Cost per Purchased Bed-day in Step Up/Step Down Community Bed Based Units	\$643	\$523	\$534	\$541	
Cost per Completed Treatment Episode in AOD Residential Rehabilitation Services	\$10,140	\$10,208	\$12,417	\$12,781	1

Explanation of Significant Movements

(Notes)

1. The 2017-18 Estimated Actual is significantly higher than the 2017-18 Budget due to an improvement in methodology capturing activity data to ensure that all activity from services fully or partly funded by the Mental Health Commission are included.

4. Community Treatment

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

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 383,737	\$'000 402,385	\$'000 400,661	\$'000 405,358	
Less Income	68,641	73,866	79,779	78,701	
Net Cost of Service	315,096	328,519	320,882	326,657	
Employees (Full Time Equivalents)	167	168	164	157	
Efficiency Indicators					
Average Cost per Purchased Treatment Day of Ambulatory Care Provided by Public Clinical Mental Health Services (National Indicator) ^(a)	\$470	\$487	\$461	\$461	
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 AOD Services.....	\$1,680	\$1,580	\$1,749	\$1,764	1

(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.

Explanation of Significant Movements

(Notes)

- The increase between the 2017-18 Budget and the 2017-18 Estimated Actual can largely be attributed to longer treatment episodes due to an increase in the complexity of cases.

5. Community Support

Community Support services provide individuals with mental health, AOD 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.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 46,435	\$'000 49,751	\$'000 49,540	\$'000 48,165	1
Less Income	229	40	40	-	
Net Cost of Service	46,206	49,711	49,500	48,165	
Employees (Full Time Equivalents)	6	6	6	6	
Efficiency Indicators					
Average Cost per Hour of Community Support Provided to People with Mental Health Problems	\$144	\$135	\$132	\$133	
Average Cost per Episode of Community Support Provided for AOD Services ^(a)	\$8,672	\$8,783	\$9,793	\$10,329	2
Average Cost per Package of Care Provided for the Individualised Community Living Strategy (ICLS).....	\$42,150	\$65,790	\$51,810	\$52,495	3
Cost per Episode of Care in Safe Places for Intoxicated People ^(b)	\$342	\$336	\$377	\$373	4

(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.

(b) Safe places for intoxicated individuals (sobering up centres) provide residential care overnight for intoxicated individuals. An episode is defined as an admission to a sobering up centre, which may be for a few hours or overnight.

Explanation of Significant Movements

(Notes)

1. The decrease in the 2018-19 Budget Target relates to the diversion of funding from community support into community bed based programs associated with the Albany step up/step down services and the relocation of residents from the Franciscan House to alternative accommodation.
2. The Transitional Housing and Support Program targets people exiting residential AOD 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. The 2017-18 Budget was set based on the 2016-17 activity of 59 episodes and activity for the 2017-18 Estimated Actual is 53 episodes.
3. The 2017-18 Estimated Actual is significantly lower than the 2017-18 Budget in part because ICLS support packages are allocated and 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. There are also lead times for the development of support packages for new entrants when backfilling client vacancies. In addition, the purpose of the ICLS is to provide coordinated clinical and psychosocial supports to assist eligible individuals to achieve their recovery goals and live well in the community. Therefore, it is expected that the average cost per package would decline due to the individual's level of need for recovery focused supports also decreasing. The decline in funding is a positive outcome of the ICLS program and demonstrates program success by supporting individuals to maximise their recovery and maintain independent living in the community.
4. The 2017-18 Estimated Actual is significantly higher than the 2017-18 Budget due to a lower than anticipated number of episodes across most services. Providers reported varying reasons for this decline including a reduction in the number of individuals camping in and outside of particular regional towns, the relocation of some frequent users of the service to metropolitan areas for treatment, stricter enforcement of liquor management strategies and possible impacts of the introduction of the cashless debit card in regional test sites.

Asset Investment Program

Funding has been allocated for the construction of the Geraldton and Kalgoorlie step up/step down mental health facilities.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
NEW WORKS							
Election Commitment - Step Up/Step Down Mental Health Facilities							
Geraldton.....	5,930	-	-	-	1,508	4,176	246
Kalgoorlie.....	5,639	-	-	976	4,379	284	-
Total Cost of Asset Investment Program.....	11,569	-	-	976	5,887	4,460	246
FUNDED BY							
Drawdowns from Royalties for Regions Fund.....			-	976	5,887	4,460	246
Total Funding.....			-	976	5,887	4,460	246

Financial Statements

Income Statement

Expenses

Total Cost of Services is estimated to increase by \$4.2 million compared to the 2017-18 Estimated Actual. This is primarily attributable to an increase in purchased public health services of \$10.6 million and increases in services purchased from non-government organisations of \$8.1 million. These are being offset by reduced expenditure in comparison to 2017-18 relating to the construction of the Bunbury and Karratha step up/step down mental health facilities and grant expenditure relating to salaries and other services and contracts not being reflected in 2018-19 due to grant negotiations not yet being finalised.

Income

Income from the State Government is anticipated to increase by \$10.4 million compared to the 2017-18 Estimated Actual. This is primarily due to an increase of \$10.6 million in State-funded public health services purchased from Health Service Providers.

INCOME STATEMENT ^(a) (Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^{(b) (c)}	36,337	36,358	36,316	33,422	32,802	32,448	33,496
Grants and subsidies ^(d)	2,865	11,210	11,657	2,353	505	505	505
Supplies and services.....	161,171	174,255	171,424	178,421	166,145	162,580	163,809
Accommodation.....	2,249	2,445	2,438	2,509	2,502	2,431	2,432
Depreciation and amortisation	474	341	341	341	341	341	341
Service Delivery Agreement - WA Health	653,943	686,216	688,518	699,135	719,372	742,096	767,603
Other expenses	6,069	3,532	3,461	2,222	2,274	2,198	2,197
TOTAL COST OF SERVICES	863,108	914,357	914,155	918,403	923,941	942,599	970,383
Income							
Sale of goods and services.....	-	288	-	-	-	-	-
Grants and subsidies	4,823	4,852	4,796	1,429	-	-	-
National Health Reform Agreement.....	162,820	181,567	191,978	191,255	201,460	212,209	223,532
Other revenue.....	882	200	488	295	302	302	302
Total Income	168,525	186,907	197,262	192,979	201,762	212,511	223,834
NET COST OF SERVICES	694,583	727,450	716,893	725,424	722,179	730,088	746,549
INCOME FROM STATE GOVERNMENT							
Service appropriations	684,695	706,470	696,491	707,456	703,796	716,474	731,110
Resources received free of charge	3,196	4,037	4,037	4,097	4,159	4,221	4,221
Royalties for Regions Fund: Regional Community Services Fund.....	5,423	7,293	14,123	13,513	13,862	9,028	10,855
Regional Infrastructure and Headworks Fund.....	-	7,510	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT.....	693,314	725,310	714,651	725,066	721,817	729,723	746,186
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	(1,269)	(2,140)	(2,242)	(358)	(362)	(365)	(363)

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

(b) The Commission's Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 276, 273 and 260 respectively.

(c) The FTEs have been adjusted compared to the published FTEs in the 2017-18 Budget papers to reflect the FTEs attributable to the Commission, whereas the previous published FTEs reflected both the Commission and the Administered Entities.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES ^(a)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Department for Child Protection - Youth Crisis Accommodation Support	442	-	447	-	-	-	-
Department of Education - Suicide Prevention Strategy	417	354	354	363	-	-	-
Housing Authority Broome Step Up/Step Down Facility.....	-	700	700	-	-	-	-
Bunbury Step Up/Step Down Facility.....	-	4,330	4,330	230	-	-	-
Karratha Step Up/Step Down Facility	-	4,290	4,290	230	-	-	-
Non-government Grants Ice Breakers Program.....	-	180	180	180	-	-	-
Other.....	564	368	368	343	361	361	361
Prevention and Anti-stigma.....	100	162	162	153	144	144	144
Suicide Prevention Strategy	658	826	826	854	-	-	-
Workforce Development	76	-	-	-	-	-	-
Road Safety Commission - Alcohol Interlocks Assessment and Treatment Service.....	608	-	-	-	-	-	-
TOTAL	2,865	11,210	11,657	2,353	505	505	505

(a) The table above only reflects grants and subsidies that have been agreed to prior to the 2018-19 Budget process and as a result the table does not reflect agreements that are currently under negotiation.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	24,611	22,565	23,557	23,199	22,837	22,472	22,254
Restricted cash.....	6,146	5,127	4,994	5,139	5,284	5,429	5,429
Receivables.....	467	536	467	467	467	467	467
Other.....	70	90	70	70	70	70	70
Total current assets.....	31,294	28,318	29,088	28,875	28,658	28,438	28,220
NON-CURRENT ASSETS							
Holding account receivables.....	5,486	5,827	5,827	6,168	6,509	6,850	7,191
Property, plant and equipment.....	22,414	22,045	22,073	22,708	28,254	32,373	32,278
Other.....	12	12	12	12	12	12	12
Total non-current assets.....	27,912	27,884	27,912	28,888	34,775	39,235	39,481
TOTAL ASSETS.....	59,206	56,202	57,000	57,763	63,433	67,673	67,701
CURRENT LIABILITIES							
Employee provisions.....	5,390	5,023	5,281	5,348	5,348	5,348	5,348
Payables.....	3,866	3,537	3,866	3,900	3,900	3,900	3,900
Other.....	427	619	572	717	862	1,007	1,152
Total current liabilities.....	9,683	9,179	9,719	9,965	10,110	10,255	10,400
NON-CURRENT LIABILITIES							
Employee provisions.....	2,099	1,594	2,099	1,998	1,998	1,998	1,998
Total non-current liabilities.....	2,099	1,594	2,099	1,998	1,998	1,998	1,998
TOTAL LIABILITIES.....	11,782	10,773	11,818	11,963	12,108	12,253	12,398
EQUITY							
Contributed equity.....	25,763	25,763	25,763	26,739	32,626	37,086	37,332
Accumulated surplus/(deficit).....	21,053	19,058	18,811	18,453	18,091	17,726	17,363
Reserves.....	608	608	608	608	608	608	608
Total equity.....	47,424	45,429	45,182	45,800	51,325	55,420	55,303
TOTAL LIABILITIES AND EQUITY.....	59,206	56,202	57,000	57,763	63,433	67,673	67,701

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	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	684,354	706,129	696,150	707,115	703,455	716,133	730,769
Royalties for Regions Fund:							
Regional Community Services Fund	6,533	7,293	14,123	13,513	13,862	9,028	10,855
Regional Infrastructure and Headworks Fund	-	7,510	-	976	5,887	4,460	246
Net cash provided by State Government	690,887	720,932	710,273	721,604	723,204	729,621	741,870
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(36,480)	(36,213)	(36,280)	(33,277)	(32,657)	(32,303)	(33,351)
Grants and subsidies	(3,377)	(11,210)	(11,657)	(2,353)	(505)	(505)	(505)
Supplies and services	(158,254)	(170,351)	(167,520)	(174,451)	(162,115)	(158,490)	(159,719)
Accommodation	(2,020)	(2,415)	(2,408)	(2,478)	(2,471)	(2,400)	(2,401)
Service Delivery Agreement - WA Health	(653,943)	(686,216)	(688,518)	(699,135)	(719,372)	(742,096)	(767,603)
Other payments	(4,946)	(3,429)	(3,358)	(2,126)	(2,176)	(2,098)	(2,097)
Receipts ^(b)							
Grants and subsidies	4,823	4,852	4,796	1,429	-	-	-
National Health Reform Agreement	162,820	181,567	191,978	191,255	201,460	212,209	223,532
Sale of goods and services	-	288	-	-	-	-	-
Other receipts	722	200	488	295	302	302	302
Net cash from operating activities	(690,655)	(722,927)	(712,479)	(720,841)	(717,534)	(725,381)	(741,842)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(244)	-	-	(976)	(5,887)	(4,460)	(246)
Net cash from investing activities	(244)	-	-	(976)	(5,887)	(4,460)	(246)
NET INCREASE/(DECREASE) IN CASH HELD							
	(12)	(1,995)	(2,206)	(213)	(217)	(220)	(218)
Cash assets at the beginning of the reporting period	30,769	29,687	30,757	28,551	28,338	28,121	27,901
Cash assets at the end of the reporting period	30,757	27,692	28,551	28,338	28,121	27,901	27,683

(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)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Grants and Subsidies							
Commonwealth Grants ^(b)	518	181	181	-	-	-	-
Other Grant Funding ^(b)	4,305	4,671	4,615	1,429	-	-	-
Other Receipts							
Other Revenue	722	488	488	295	302	302	302
TOTAL	5,545	5,340	5,284	1,724	302	302	302

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

(b) The 2018-19 Budget Estimate excludes grant funding that is currently under negotiation, which is the primary reason for the decrease between the 2017-18 Estimated Actual and the 2018-19 Budget Estimate.

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

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
APPROPRIATIONS							
Service Appropriations as per Income Statement	684,695	706,470	696,491	707,456	703,796	716,474	731,110
<i>Transfer of the Fresh Start Recovery Program</i>	293	293	-	-	-	-	-
Adjusted Total Appropriations Provided to Deliver Services	684,988	706,763	696,491	707,456	703,796	716,474	731,110
ADMINISTERED TRANSACTIONS							
Administered Appropriation as per Details of Administered Transaction	7,569	7,539	8,230	8,287	8,447	8,652	8,834
<i>Transfer of Two Employees to the Office of Chief Psychiatrist</i>	650	661	-	-	-	-	-
Adjusted Total Administered Appropriation	8,219	8,200	8,230	8,287	8,447	8,652	8,834

DETAILS OF ADMINISTERED TRANSACTIONS

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
INCOME							
Other							
Administered Appropriation.....	7,569	7,539	8,230	8,287	8,447	8,652	8,834
Services Received Free of Charge	1,060	-	1,052	1,068	1,089	1,116	1,144
Other Revenue.....	1	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME	8,630	7,539	9,282	9,355	9,536	9,768	9,978
EXPENSES							
Other							
Office of the Chief Psychiatrist	2,555	2,282	3,337	3,428	3,534	3,628	3,733
Mental Health Tribunal	2,840	2,630	2,962	2,907	2,924	2,966	2,985
Mental Health Advocacy Service	3,059	2,627	2,973	3,020	3,078	3,174	3,260
TOTAL ADMINISTERED EXPENSES (a)	8,454	7,539	9,272	9,355	9,536	9,768	9,978

(a) The Administered Entities Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 29, 30 and 30 respectively.

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.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
Appropriations	178,552	183,259	201,665	188,565
Other	73,699	79,498	84,998	80,235
	252,251	262,757	286,663	268,800
Payments	252,251	262,757	286,663	268,800
CLOSING BALANCE	-	-	-	-

Western Australian Health Promotion Foundation

Part 5 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 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Computer and Software - 2017-18 Program.....	70	70	70	-	-	-	-
NEW WORKS							
Computer and Software							
2018-19 Program.....	70	-	-	70	-	-	-
2019-20 Program.....	70	-	-	-	70	-	-
2020-21 Program.....	70	-	-	-	-	70	-
2021-22 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 5 Health

Asset Investment Program

The Authority's Asset Investment Program of \$200,000 relates to routine asset replacement at the Animal Resources Centre facility.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement 2017-18 Program	200	200	200	-	-	-	-
Autoclave.....	1,120	1,120	1,120	-	-	-	-
Chiller Unit.....	791	791	43	-	-	-	-
Cooling Towers	110	110	110	-	-	-	-
Transformer.....	477	477	35	-	-	-	-
Ventilated Cages.....	115	115	115	-	-	-	-
NEW WORKS							
Asset Replacement							
2018-19 Program.....	200	-	-	200	-	-	-
2019-20 Program.....	200	-	-	-	200	-	-
2020-21 Program.....	200	-	-	-	-	200	-
2021-22 Program.....	200	-	-	-	-	-	200
Total Cost of Asset Investment Program	3,613	2,813	1,623	200	200	200	200
FUNDED BY							
Funding Included in Department of Treasury Administered Item.....			1,120	-	-	-	-
Internal Funds and Balances.....			503	200	200	200	200
Total Funding.....			1,623	200	200	200	200

