Division 66: Health, $2 652 835 000 -

Hon George Cash, Chairman.

Hon Ljiljanna Ravlich, Parliamentary Secretary to the Minister for Health.

Mr M. Daube, Director General.

Dr B.L. Lloyd, Deputy Director General, HealthCare.

Mr A.M. Chuk, Deputy Director General, Corporate and Finance.

Mr M.P. Jackson, Executive Director, Population Health.

Mrs C. O'Farrell, Chief Executive, Country Health Service.

Dr P. Della, Chief Nursing Officer.

The CHAIRMAN: On behalf of the Legislative Council Estimates Committee, I welcome participants to today's hearing. Government agencies and departments play an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee thanks them for that assistance.

For the information of members, these proceedings will be reported by Hansard. The daily *Hansard* will be available on the following morning. Hansard will distribute documents for correction, which must be returned on the A4 documents sent to members. The cut-off date for corrections will be indicated on the bottom of each page.

Members are asked to sit towards the front of the Chamber where practicable so that witnesses will not have to turn their heads when answering questions. It will greatly assist Hansard if, when referring to the *Budget Statements* volumes or the consolidated fund estimates, members provide the page number, item, program, amount, and so on in preface to their questions. If supplementary information is to be provided, I ask for cooperation in ensuring that it is delivered to the committee's clerk within five working days of receipt of the questions. An example of the required Hansard style for the document has been provided to the advisers.

The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. For the benefit of members and Hansard, I ask the parliamentary secretary to introduce her advisers to the committee, and for each adviser to state their full name, contact address and the capacity in which they appear before the committee. I also ask each of the advisers whether they have read, understood and completed the Information for Witnesses form. All advisers appear to indicate that they have.

I also indicate that I have received some answers to questions on notice from Hon Peter Foss, Hon Robin Chapple and Hon Giz Watson.

Hon LJILJANNA RAVLICH: As you would be aware, Mr Chairman, health is one of the key priorities for the Gallop Labor Government. This is reflected in the budget allocation for this financial year. The Government has allocated a total of $2.652 billion for this year's health budget, which reflects an increase of $232.2 million, or 9.7 per cent, over the 2002-03 allocation. This figure does not include capital works. The Government has committed $105.1 million for 55 health capital works projects in 2003-04, and details in relation to these projects can be found in the budget papers at page 1115. It is important to note that health spending now represents 24.6 per cent of the entire state budget, and this budget will continue to focus on improving a world-class health service to the Western Australian public whilst meeting the demands of rising health costs, as well as a growing and ageing population. In particular, emergency departments, waiting lists and nurse recruitment remain key priorities for the Government. The increase in costs is to some extent driven by increasing community expectations and the desire for the Western Australian population to have a health system that is maintained at the highest standard. I am aware that we have limited time today, so I will not spend too much time on a budget overview; it is only fair that members have as much time as possible allocated to them so their questions can be responded to. This budget includes an allocation of $105.1 million for those 55 capital works programs, and this Government continues to commit itself to rejuvenating Western Australian public hospitals, including the equipment in those hospitals. Its efforts will not be diminished and it will continue to ensure that health maintains its priority.

The CHAIRMAN: For the information of members, I have been provided with a list of the lead participants for each party. It is intended that the lead participant for the individual parties will be given an opportunity to ask a line of questions; when that member has completed that line, I will move to the next lead participant; and when the lead participants are through, I will move to other members. I have been provided with the following names: Hon Simon O'Brien for the Liberal Party; Hon Giz Watson for the Greens (WA); Hon Sue Ellery for the Labor

Party; Hon Murray Nixon for the National Party; and there is also provision for a One Nation member if that party proposes to take part in these hearings. I call on Hon Simon O'Brien for his first line of questions.

Hon SIMON O'BRIEN: I refer to the appropriation on page 1075. I note that recurrent expenditure for health at the close of the 2001-02 financial year - that is, less than 12 months ago - was $2.29 billion. We are now contemplating an appropriation of $2.634 billion, which is an increase of $344 million. What will the Western Australian public get for this colossal increase that it was not getting 12 months ago? Are we witnessing a substantial blow-out in the health costs in this State?

[2.10 pm]

Hon LJILJANNA RAVLICH: I thank the honourable member for that question. I will quickly explain how the appropriations are formulated. The gross expenditure on the health program is $3.019 billion for 2003-04. The primary source of funds is through the Australian health care agreement in the sum of $734 million, which, together with the state contribution of $1 900 million makes up an appropriation of $2 634 million. I guess the key and very interesting question asked by the honourable member was what the population will get for its money. One thing that the Western Australian public will get is the expenditure of $98.1 million on additional staff salaries, including $54.6 million on nursing staff. The honourable member will be aware that nursing and nursing staff is a priority of this Government. We have worked very hard to increase the number of nurses. Our aim is to make nursing a more attractive profession so that we can entice back into the industry some members of the nursing profession who have left it. In addition we will spend $16.8 million on medical staff; $21.6 million on other employment-related costs, including an additional $18 million on superannuation; an extra $3.7 million on workers compensation; an extra $3.1 million on payments to visiting medical officers; an additional $17.8 million on patient costs, including both direct and indirect costs; an extra $15.4 million on private contracts; $29.4 million on depreciation; an extra $6.1 million on insurance, including medical treatment insurance; and $40.5 million worth of increases have been allocated to other areas, including non-government organisations and statewide services. The honourable member will see that those additional moneys have been allocated to key areas of need in the health system with the obvious aim of providing the best health system to the Western Australian public.

Hon SIMON O'BRIEN: I thank the parliamentary secretary for that detail. However, the Gallop Government claimed at election time, a little more than two years ago, that it understood the health system was in crisis but it would fix it. This budget is $627 million more than the coalition Government's last health budget. How much will the Government come back for next year? Will we continue to see an escalation in costs at this almost exponential rate or will the Government be able to manage the health system a bit better?

Hon LJILJANNA RAVLICH: I welcome the question by the honourable member. As the opposition spokesperson for health, the honourable member is aware that there are many cost pressures in the health system. I am sure he is also aware that the State has not done as well as it should have in revenue funding from the Commonwealth Government. That, in itself, has created additional pressures on the state health system.

Hon SIMON O'BRIEN: That has got nothing to do with it; it is an appropriation.

Hon LJILJANNA RAVLICH: It does have something to do with it.

The CHAIRMAN: Order, members, one at a time! I have been working very hard this morning and I do not want to have to excuse anyone from this hearing for interjecting. The parliamentary secretary should finish the answer.

Hon LJILJANNA RAVLICH: Thank you, Mr Chairman. Any revenue shortfall in the funding allocation through the Australian health care agreement will put additional pressure on the state budget. One does not need to be too clever to work out that simple calculation. There are many additional pressures on the health system. New technology and its impact on delivering health care is one key pressure on the health system; another is obviously the rising cost of employees. These are not the only pressures on the health system; there are many and I do not have time to quantify them all. However, the key reason for growth in the demand for funds is to address some of those pressures. I will now ask Mr Andrew Chuk to add to those comments and provide additional information to the honourable member.

Mr CHUK: Beyond the budget as presented for 2003-04, the forward estimates include forecast appropriations out to 2004-05 and 2006-07. The figure for 2004-05 of $2.797 billion is an increase of 6.2 per cent over the forecast for 2003-04. The point I make is that the forecast appropriations for the out years presented in this budget are more in line with recent trends in health expenditure. In that context I believe they provide realistic projections for health funding into the forward years.

Hon SIMON O'BRIEN: I thank Mr Chuk for that answer. I turn now to output 1 on page 1088. A number of items are mentioned there but I refer to health promotion. How much will the Government spend on its various anti-tobacco programs in the financial year now coming to an end; and how much does it propose to spend in 2003-04?

Hon LJILJANNA RAVLICH: The members who are directly involved in working in the health system who are with me today are in a better position than I to answer a question on the adverse impact of smoking on the health system and the cost of that to the community.

Hon SIMON O'BRIEN: I just want to know the total that has been spent on the programs.

Hon LJILJANNA RAVLICH: I will get there. A concerted effort has been made to discourage young people from taking up smoking as a pastime. However, I defer to Mr Michael Jackson for a specific answer to the honourable member's question.

Hon SIMON O'BRIEN: I hope the answer has not been eroded by inflation over a period!

Mr JACKSON: There are some breakdowns for the member's information. The cost of the August phase of the Quit campaign was approximately $300 000; the young adult campaign cost approximately $300 000; further in January and February we ran another phase of Quit directed at young adults at an approximate cost of $250 000; and the May phase of Quit cost approximately $250 000. That totalled $1.1 million.

Hon SIMON O'BRIEN: I will pursue that point. I thought the figure was about $2.8 million overall. Perhaps there are some other elements to it. I just want to know the final figure.

Mr DAUBE: The total from the Department of Health was around $2 million a year on all activities directed towards a reduction in tobacco use. Separate funding came from Healthway, the Western Australian Health Promotion Foundation. Mr Jackson was talking primarily about the media campaigns. There is a variety of activities supporting smoking cessation, monitoring and implementing legislation and so on. The total figure is therefore around $2 million.

[2.20 pm]

Hon SIMON O'BRIEN: That is how much is being spent on anti-tobacco campaigns. How much is the Government proposing to spend on "do not smoke cannabis" campaigns this year and in the budget year that we are now considering?

Mr JACKSON: I cannot comment on that. The alcohol and drugs area, under which cannabis will come, is within the terms of reference of the Drug and Alcohol Office, so I will have to refer the question to the director general.

Mr DAUBE: I cannot give a precise answer. However, I can say that the media activity on cannabis comes under the auspices of the Drug and Alcohol Office. We do not have specific information on the advertising and media expenditure with us here, but we can certainly provide that.

[*Supplementary Information No 1*.]

Hon GIZ WATSON: I cannot refer to a specific page, but after the bailing out of teaching hospitals earlier this year how much in total is now forecast to be overspent on teaching hospitals in this financial year?

Mr CHUK: My answer will be complicated in that the teaching hospitals now form part of the metropolitan area health services, with the south metropolitan, the north metropolitan and the east metropolitan being the key elements, along with women and children's health services. The department currently manages the financing of those areas in aggregate, so in that context it is a little difficult to talk about the teaching hospitals alone. I do not have the details on the teaching hospital expenditures with me at this time, but in an overall context I refer to the appropriation and forward estimates at page 1075. The estimated actual for the current year is $2.402 billion, and that will increase to $2.634 billion. That reflects the cost increases between the current year and next year, and I think it is fair to say that the teaching hospitals, being a key element in the tertiary sector, will receive a fair proportion of that increase.

Hon LJILJANNA RAVLICH: It has been reported by health systems around the world that their expenditure on health is growing at between six per cent and nine per cent, so I imagine that if there was a ballpark figure for growth, that would apply to the teaching hospitals as much as it would to the non-teaching hospitals. Western Australia would be no exception in terms of rate of growth when compared with other jurisdictions. Other jurisdictions are facing exactly the same challenge that we are facing in Western Australia; namely, how can we manage the community expectation of providing quality health care while at the same time controlling the cost drivers to drive down some of those costs so that they are more manageable?

Hon GIZ WATSON: Is the cost over-run in teaching hospitals proportionally more than the overspending in other areas of the health budget?

Mr CHUK: I am in slightly dangerous territory here, because not having the information before me I can only make a judgment. If the member wants my opinion, the answer is yes, but, again, the areas that are of critical interest and importance to the health system, such as emergency departments and elective surgery waiting lists, are key parts of managing the health system.

Mr DAUBE: The teaching hospitals are places in which pressure is caused not just by staff costs but also by technology, equipment, drugs and so on, so these are inevitably a major focus of the pressures that confront the health system. One of the things that have been done recently is to establish the Health Reform Committee. That committee will report to the Minister for Health and the Treasurer. It is chaired by Professor Mick Reid, who has the great distinction of having survived as director general of health in New South Wales for some years, and it also has on it the Under Treasurer, me and two other people. That committee is looking at some of the basic issues. It will be looking at not just the way in which some of the finance systems work but also at what we can do to ameliorate, to some extent, some of the pressures that we are facing. There will not be any miracle buttons that we can push any more than any miracle buttons are available to anyone else to solve the problems of salaries and the high cost of drugs and equipment and so on, but we can look at the way in which we work, at whether our teaching hospitals are operating in exactly the way we want, and at whether we should have role distinctions and role delineation between the teaching hospitals so that we do not have one of everything in each of the teaching hospitals. Those are very important issues, and we hope that we can make some significant changes that will to some extent decrease the pressures on us.

Hon LJILJANNA RAVLICH: The committee is meeting on a weekly basis, and it will pursue a number of reform initiatives within a 12-month period and develop a longer four or five-year plan. It has its job ahead of it. We recognise that there is a need to identify the cost pressures and bring them down.

Hon GIZ WATSON: The second dot point on page 1077 states that in-principle cabinet approval has been granted for the establishment of an environmental health foundation comprising medical specialists and representatives from academic institutions. That is a good initiative and one that we support. I have recently been asking some questions about when this health foundation will be established. What is the estimated establishment date and what is the estimated cost of this foundation?

Mr JACKSON: The environmental health foundation has come out of some of the issues listed in the dot point above, such as 2,4,5-T in the Kimberley and multiple chemical sensitivity issues at Wagerup. The proposal is that the environmental health foundation will be located exterior to the Health Department and will provide a centre of expertise that we can call upon when we need information on lead levels in blood, 2,4,5-T, etc. We will be calling for tenders for the environmental health foundation. Cabinet has granted approval for the establishment of the environmental health foundation, and it is supported by the four ministers who make up the ministerial council on health, environment and sustainability. It has been referred to the Health Department for funding. The initial allocation that we have set aside for the environmental health foundation is of the order of $125 000, but that is in a semi-holding capacity. The possibility for that to be expanded, depending upon the issues we face, not only in health but also across government, will require some additional funding. At this stage we have approval from Cabinet. We have an issue to incorporate it within our allocations in this budget. We intend to go to tender, and that will occur in the next few months.

[2.30 pm]

Hon LJILJANNA RAVLICH: Mr Michael Jackson has already mentioned the $125 000, which will be used in large part, as I understand it, to employ an executive officer and for some operational costs. I am also advised that the annual operating cost of the foundation will be in the order of $375 000, and, of this, some $250 000 is required to fund the consultancy costs of the foundation. In addition, the funding estimates are likely to be subject to further internal review, as clearing of the backlog of some of the issues is likely to be referred to the foundation. Therefore, that makes getting an accurate figure of what will be required a little unpredictable. It is a bit of a moveable feast because of the number of issues that are current. However, it has cabinet approval, and moneys have been earmarked so that the foundation can get about and do its work.

Hon GIZ WATSON: What is the timing?

Hon LJILJANNA RAVLICH: The best I can say is that a formal announcement by the Government on setting up the foundation is expected shortly.

Hon GIZ WATSON: My next question is on the same area; in fact, it relates to the previous point. I refer to the ongoing investigations into the practice of herbicide spraying in the Kimberley in the 1970s and 1980s, the current Armstrong report and the Government's commitment to provide health care and/or compensation to

those injured workers or relatives of deceased workers. What funding provisions have been made this year for matters relating to this issue?

Hon LJILJANNA RAVLICH: I will defer on the funding allocation. However, as of now, there have been three broad areas of work on this issue. They relate to convening and supporting the expert medical panel, providing additional health support to former Agriculture Protection Board workers, and working on other recommendations of the Harper report. Mr Michael Jackson is probably best placed to provide additional information on the specific amount of money that has been allocated.

Mr JACKSON: I do not have a specific amount for the honourable member at this time. The work remains unfinished because of the Armstrong review. Furthermore, we have let a contract to a Queensland consortium to examine the toxicology of dioxins. The components are, first of all, the review by Professor Bruce Armstrong and the panel, and some further literature review, which could in future be undertaken by the environmental health foundation; and, secondly, the funding of a community health nurse in Derby, as the member is aware, through the Derby Aboriginal Health Service, with some specialist support. This is one issue that arose during the year that was of interest to both health and agriculture. We in the Department of Health have borne the brunt of the actual expenses associated with this review. However, I do not have a precise amount at my fingertips so that I can say it has cost X amount. However, I guess that it would be in the order of $200 000 to $250 000 at this time.

Hon LJILJANNA RAVLICH: I will add something that may be of some help to the member. Currently, the panel has asked for several additional projects relating to further analysis of the symptom data, an examination of the possible importance of multiple chemical sensitivity, and a report on the regulatory controls of the herbicides 2,4-D and 2,4,5-T in the period of concern. I advise the honourable member that it is expected that the panel will provide a second report in the third quarter of 2003.

Hon SUE ELLERY: I will start with output 2 on page 1095, which relates to diagnosis and treatment and refers to emergency departments. Will the parliamentary secretary explain the impact that proposed changes to Medicare will have on Western Australian emergency departments in hospitals?

Hon LJILJANNA RAVLICH: I will ask Dr Brian Lloyd to respond to that.

Dr LLOYD: The proposed changes to Medicare have received various responses and they are obviously not in place at present. If there is a greater uptake of bulk-billing, we anticipate that it should reduce the number of presentations to emergency departments, but against a background that it may not increase the supply of service; it may just change the proportion of people who attend the emergency departments rather than elsewhere. We believe that as patients are faced with a co-payment, it will become an issue for many of them, and they will believe that it is better to go somewhere where there is no co-payment. The other part of the question is whether it will attract doctors to work out of normal hours and at weekends. That is yet to be seen. We are working hard to overcome some of the barriers to out-of-hours clinics and weekend clinics by offering to provide some of the infrastructure. Our previous work on that has been a problem because of Health Insurance Commission stipulations. When patients have been bulk-billed, we have not been permitted to make a co-payment from the Government or provide some services. We are in negotiations with the commonwealth health department and with HIC to get around that.

Mr DAUBE: I will just complement that. One of the concerns for us is that we, like every other State and developed country, face pressures on emergency departments. There are no magic solutions to those pressures. They are pressed places, often built to deal with the pressures of 20 years ago rather than of now. Often, relatively small numbers of increases in presentations there can cause the places to get very full indeed. It is a matter of concern to us that the discussions that have taken place on Medicare are simply not doing enough to provide and ensure alternative places to which members of the public can go. Also, there are debates about how it is quantified. Substantial numbers of people are going to emergency departments who would not go there if they had access to general practitioner services at the right time and in the right place, reasonably close to them. For instance, after hours, on long weekends or whatever else, it is often difficult to access a general practitioner. People phone for an appointment, and that appointment may be some time further on. Therefore, a lot of people just end up going to the emergency department. Some of them may have to wait a while, particularly if their problem is not severe. We have a combination of problems in that area. There is a lack of access to and availability of GPs. We just do not have enough in this State. Although we are optimistic that the federal Government will provide more places for medical students in training, even if those come through, it will be 10 years before the medical students are in the community treating patients. We believe that although there clearly are efforts to improve this, they will not be enough to provide the kinds of general practitioner services that we need to help relieve the pressures on us.

[2.40 pm]

Hon SUE ELLERY: There was an "if" at the beginning of that answer; that is, if there is an increase in bulk-billing. Has any analysis been done of whether that will happen?

Hon RAY HALLIGAN: It is either a fact or not.

Hon SUE ELLERY: There was an assumption at the beginning of the answer. I am asking whether any analysis has been done to project for that.

Hon LJILJANNA RAVLICH: Bulk-billing has decreased over time and our view is that it will continue to decrease. That creates additional pressures in itself. I will put it into some perspective. It is important to note that the emergency department presentations have grown by approximately 4 000 presentations annually over the past five years. This creates all sorts of problems, such as overcrowding, increasing ambulance diversions etc. The causes of this rather dramatic increase and the consequential pressures it puts on the health system result from an ageing population, outdated emergency department facilities in some hospitals, outdated emergency department processes and work flows in others, changes to the bulk-billing system and practices, which the member has already identified, and access to after-hours care for consumers and nursing home residents. The Government has identified this as a priority in ensuring that the emergency departments in public hospitals work much more efficiently. Emergency departments are looking to improve facilities to increase the capacity and redefine the work flows and balance demand with capacity across the metropolitan area. They have undertaken another range of initiatives in addition to try to get a better deal from the Commonwealth Government on bulk-billing and will be negotiating to the best of their ability in relation to the health care agreement and other matters.

Hon SUE ELLERY: I refer to the major achievements in child, community and primary health care on page 1085. There are two initiatives. I am interested in the success or otherwise of the early years program. The other initiative is the review of work force needs. What has that shown us?

Mr JACKSON: The community and child health branch is a new branch within population health. Focus has been given to the early years. One of the most important things is the work force development of existing staff, as well as personal support and career development for Aboriginal health workers. Certainly, improved numbers and capacity within Aboriginal health workers are critical to this program. The focus can be summarised as a priority on early intervention for those families at risk, rather than just doing what we have done in the past. The early years program is for families who are shown to be at some risk in a number of ways.

I will not go through all the details of the work force development of staff, but there has been some retraining. One good example of the progress that has been made is the WILSTAAR program, or the Ward infant language screening test assessment acceleration remediation program, which is about early intervention for children with some speech or language difficulties. In the normal course of events these children would not be picked up until they had quite serious difficulties and they would be referred to a speech pathologist. Speech pathologists are in short demand. However, under this program, which has been successfully undertaken in the United Kingdom, early intervention picks up difficulties at the age of eight or nine months. It is done in association with families. There is a learning approach between families and community and child health staff. The performance and the results are excellent in both language and speech improvement, as well as in the utilisation of staff. It means that only the most severe cases are referred to speech pathologists.

Hon SUE ELLERY: That answer touched on the shortages of speech pathologists. At page 1086 there is reference to the school-based speech pathology program. Can I have some information about the progress of that program?

Mr JACKSON: We have been able to increase the number of speech pathologists in schools across the State. As I said, that interlocks with the emphasis we have placed on early years intervention. The number of speech pathologists has been improved. I do not have the precise number at my fingertips, but there has been an emphasis on improving allied health workers and speech pathologists, particularly in country areas.

Hon MURRAY CRIDDLE: I have four questions specifically about country areas. I refer to the country health services review on page 1076. I have read the first and third dot points. What is the allocation for country funding - it is called non-metropolitan funding in this document - for 2002-03 and 2003-04?

Mrs O'FARRELL: I can attempt to answer the question, but I wonder whether it might not be better handled by Mr Chuk, given that it is a funding-related question.

Hon LJILJANNA RAVLICH: Can the member restate the question?

Hon MURRAY CRIDDLE: The first and third dot points on page 1076 refer to the country health services review. Clearly a review of country health services was done and new arrangements have been initiated. What is the allocation of country funding in Western Australia for 2002-03 and 2003-04?

[2.50 pm]

Mrs O'FARRELL: I can tell the member the allocation of funds from the total budget in 2002-03 that was provided to the WA Country Health Service, which I have responsibility for. I do not have the precise figure with me, but it was in the order of $393 million. That does not give the total budget allocation from the health budget for all country areas, given that it does not include the south west area health service or the Peel district, which is included as part of the total rural allocation.

Of the total allocation to the Western Australian Country Health Service, which is a single, unified health service newly created on 1 July 2002, the approximately $393 million is about equal to that for the four metropolitan health services, as is the general asset base and general workforce base with which we are working. Therefore, the Western Australian Country Health Service resource base and budget allocations are about equally positioned for 2002-03. However, I caution that other funds are allocated to the country, as I have mentioned. I will not go into too much detail, but the allocation for the South West Health Service for 2002-03 was in the order of $100 million. I do not have the information for the Peel Health Service. I cannot give any details on the financial allocation for 2003-04 because I am not aware of them.

Mr DAUBE: We are currently engaged in the process of finalising the allocations for the forthcoming year, so we cannot presently provide that information. However, we will be able to provide it by way of supplementary information as soon as the information has been finalised for the country and the south west.

[*Supplementary Information No 2.*]

The CHAIRMAN: Mr Daube has indicated that he may be able to provide that information. However, there is some suggestion that Mr Chuk may not be able to.

Mr DAUBE: It is question of timing. We would not be able to provide the information within the normal time frame because we are currently working on the allocations.

The CHAIRMAN: I appreciate the additional comment because that was where our problem would be.

Hon MURRAY CRIDDLE: Am I assured that the information will come in good time?

The CHAIRMAN: It will come within a reasonable time but it will not be within the specific number of days.

Hon MURRAY CRIDDLE: On page 1100 the major achievements for 2002-03 refer to emergency services. The parliamentary secretary touched on this a little while ago: the majority of the achievements referred to for accident and emergency departments were in metropolitan hospitals. I am concerned about country areas and the crucial need for accident and emergency services in country areas. How much funding has been allocated for capital improvements in rural and regional accident and emergency departments? I take on board what the parliamentary secretary said about outdated facilities in some areas. How much funding has been allocated for the update of equipment and medical supplies in rural and regional accident and emergency departments?

Hon LJILJANNA RAVLICH: The information sought is of a fairly specific nature at one level and a fairly general at another. The member asked about the quantum of a specific area. I am not sure that the area is defined in a program. Is it possible to provide that information?

Mr CHUK: The capital works program on page 1114 outlines the current works in progress. The completed works are shown on the following page. It is fair to say that it is not easy to draw from that information the funding provided explicitly for redevelopment or additions to country emergency departments. I could draw members' attention to the redevelopment of Geraldton Regional Hospital, which involves a major rebuild of the hospital, which will naturally have a new emergency department in it. Beyond saying that, we could take the question on notice and perhaps provide further information.

[*Supplementary Information No 3.*]

Mrs O'FARRELL: I was wondering if I could complement the information from Mr Chuk and provide the information here and now. A substantial capital works program is currently under way for the country. A number of complete hospital replacement or substantial redevelopment programs are under way, many of which are in the Kimberley. Renovations have been undertaken to Carnarvon Regional Hospital. Planning is under way for Port Hedland Regional Hospital. A planning process is under way for the replacement of Morawa Hospital. The department is replacing Ravensthorpe District Hospital and will be planning for Denmark District Hospital. We have undertaken a complete analysis of our facilities and our services in accordance with the framework outlined in the country health services review. That will determine exactly the infrastructure, redevelopment or enhancement requirements, including those for all emergency departments, and will form part of our capital works submission for the next financial year. Therefore, a substantial program of redevelopment is under way. We will be in a position very soon to frame up a capital infrastructure development plan and budget

submission, which will be very detailed about every facility that we have and in line with the role delineation framework outlined in the country health services review. It is therefore very much part of our current thinking and planning for investment in the future.

Hon LJILJANNA RAVLICH: I commented earlier on the question being specific at one level and general at another. Mrs O'Farrell has demonstrated that major redevelopments are being undertaken at Geraldton, Margaret River, Port Hedland, Derby, Halls Creek and Kununurra and a new facility is being planned for Denmark. How many of those developments deal with the emergency department component? We do not know, so we will take that question on notice and provide that information in due course.

Hon MURRAY CRIDDLE: I am always pleased to see that money is being spent in the country. I am interested in the timeframe within which that money will be spent. That will obviously be outlined in the answer. On page 1116 the statement of controlled financial performance outlines the total cost of services. With regard to general practitioners, medical indemnity premiums and the retention of GPs in rural areas, is there an allocation for subsidising the high premiums for medical indemnity insurance for rural procedural GPs in 2003-04, how much is the allocation, and is there an allowance for the continuation of this subsidy in the forward estimates?

Mrs O'FARRELL: The cost of subsidising GPs has been met from the health budget for the past few years and certainly has been part of our budget allocation strategy for the current financial year. This year we took the step of providing subsidy assistance to rural specialist obstetricians for the first time as well. We plan to continue to provide that but within the context of the total package of strategies being implemented shortly to deal with the medical indemnity situation more broadly. The problem we have with medical indemnity transcends the mere issue of financial assistance for country doctors when paying their premium costs. It has become rather more complicated to gain access to medical insurance. The solution, through measures taken by the Commonwealth and also to be taken and implemented in Western Australia by the State Government very shortly, will assist us in determining the level of subsidisation and exactly what it will cost us. I am not in a position to know very precisely what the difference will be, but in general terms the commitment is still there to ensure that we take sufficient measures to ensure that there is continuity of medical services in the country beyond 1 July.

Hon MURRAY CRIDDLE: Is there any indication of a number at the present time?

Mrs O'FARRELL: I believe that the cost of the scheme in the present financial year is in the order of $1 million - perhaps a little more. If we were to continue it without any further changes in the next financial year, I believe the cost would rise to something like $1.4 million. Measures being put in place might militate against that.

[3.00 pm]

Hon MURRAY CRIDDLE: I refer to the line item on page 1118 showing visiting medical practitioners. What is the total amount allocated to provide all on-call payments to rural doctors supplying accident and emergency and in-patient VMP services to rural hospitals to encourage VMPs to work and remain in rural areas? Are any other measures included in the budget to provide incentives to doctors to work and remain in rural Western Australia?

Mrs O'FARRELL: I cannot provide the member with a precise amount from my budget allocation, which is dedicated to specifically paying rural visiting medical practitioners for their on-call work. We have a substantial investment in and substantial reliance on general practitioners and some medical specialists who provide services on a fee-for-service basis. As members will be aware, this year we have successfully concluded the round of negotiations with and offers to each of our VMPs for their new remuneration agreement. In some areas we were able to take into account very special localised circumstances and attraction and retention difficulties and provide some additional incentives for doctors.

Those negotiations took a while but they have settled down and at present there is generally a much higher level of satisfaction among our VMPs throughout the region. As an indicator, the cost differential between the annual cost of fee-for-service doctors at the beginning of the year and the estimated cost next year is approximately $2.3 million. A budget adjustment enabled me to meet those additional expenses throughout this year and to have some flexibility to offer, through the negotiation process, additional benefits for doctors in certain places.

Hon LJILJANNA RAVLICH: The member's question was quite detailed in the information he sought. I note that the response provided was more of a general response. That question will be taken on notice.

[*Supplementary Information No 4.*]

Hon KEN TRAVERS: There seems to be a lot of capital works taking place and that is fantastic. I refer to the increasing pressures and demands on the Joondalup Health Campus emergency department. It does not appear under future planning. Is any work being done to identify future demand at the Joondalup Health Campus so that it can be shown in the budget for the out years?

Mr CHUK: Work is under way with Mayne Health, which provides services at the Joondalup Health Campus, on plans for the development of services in the north metropolitan area. The Joondalup Health Campus fits into our health system as part of the North Metropolitan Health Service led from Sir Charles Gairdner Hospital, which also incorporates Osborne Park Hospital. The growth of services in recent years at Joondalup has been rapid. The emergency department at Joondalup has one of the highest growth rates in the metropolitan area. We are working with Mayne Health and Joondalup Health Campus in the context of the north metropolitan overall service plan to ensure that we can meet the demands of the growing population in the northern suburbs. Undoubtedly in the future, the Health Department, either through Joondalup or a separate health facility at the Alkimos-Eglinton development, which is in the far northern reaches of the suburbs, will ensure that the health needs in the northern suburbs are met.

Hon LJILJANNA RAVLICH: The member may be interested to note that the Government has allocated $1.35 million over two years for a new dental clinic at Joondalup. Funds of $400 000 have been provided in the 2003-04 budget. The contract documents will be completed in June 2003 when the tender date will be scheduled. The member should take heart from the Government's progress in the Joondalup area.

Hon KEN TRAVERS: The eighth dot point under environmental health on page 1087 refers to a memorandum of understanding on drinking water between the Water Corporation and the Department of Health. In the subsequent dot point reference is made to no public health risk being found when a health audit of the Water Corporation was conducted. Will the parliamentary secretary provide more detail about the nature and scope of the documents involved and any findings that came from the health audit? Is the Health Department or the Water Corporation responsible for the cost of the audit?

Mr JACKSON: Clearly, the safety of drinking water is an important environmental issue for the Health Department. The Water Corporation was keen for the Health Department to undertake this audit, which was conducted by officers from its environmental health inspectorate. A purchase was made from the Water Corporation of, I think, approximately $50 000 for that audit, which enabled it to be undertaken. The audit was undertaken to ensure that drinking water throughout the State is safe. We are intending to expand this MOU and the audit to other authorities involved in water resources, such as the Busselton Water Board.

The CHAIRMAN: Following Hon Ray Halligan's two questions, I will then give the call to Hon Adele Farina, Hon Barbara Scott, Hon Giz Watson, Hon Derrick Tomlinson and Hon Murray Criddle for one question only each.

Hon RAY HALLIGAN: I refer to output 1 on page 1082 and the figures at the bottom of page 1083, which show the total cost of the output, less operating revenue. I note the difference between the 2002-03 budget and estimated actual. The estimated actual operating revenue shows an increase of approximately $16.5 million or more than 30 per cent. What is the reason for that increase?

Mr JACKSON: Our revenue in population health is derived from a number of sources, particularly licences and registrations, which apply throughout the division for radiation health and in our pharmaceutical services when poisons licences are required. It is predominantly revenue derived from registrations and licensing across the division. Some other small items of revenue are obtained through the sale of cookbooks, etc.

[3.10 pm]

Hon RAY HALLIGAN: That gives me the breakdown, but it does not tell me the reason for the increase. It would appear that that information is not available in the budget papers, in which case I ask that it be provided by way of supplementary information.

Mr JACKSON: Yes. We would be happy to provide additional information.

[*Supplementary Information No 5.*]

Hon LJILJANNA RAVLICH: That is very specific information. That level of detail is not normally included in the budget papers.

Hon RAY HALLIGAN: I was interested only in the increase over 30 per cent and no explanation.

Hon LJILJANNA RAVLICH: There is an explanation -

Hon RAY HALLIGAN: Output performance measures are an important part of the budgetary process to show the efficiency and effectiveness of the different government agencies. I note on page 1108 that there has been a change of the horse in midstream in a number of areas where the budget measure has been included but changed for the estimated actual. On that point, I am concerned about this year by reflecting on last year, where Mr Daube has signed a certification statement in the annual report stating that -

> . . . the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Health and fairly represent the performance of the Department for the financial year . . .

The audit report -

The CHAIRMAN: The question is?

Hon RAY HALLIGAN: I need to show what is in the audit report and how it differs from Mr Daube's statement. The audit report is qualified because it states -

> The key performance indicators reported are not comprehensive, as the effectiveness indicators do not address all of the key areas of the Department of Health's outcomes.

This year will we see some changes from what we had last year?

Mr DAUBE: The performance indicators area is extraordinarily complicated. Of course we sign in good faith that we are providing the best information that is available. There is some discussion between ourselves and the Office of the Auditor General on some matters relating to performance indicators, and I will refer to one example in the area of various preventive activities. There is some real difficulty in demonstrating year-by-year change, because often when we are trying to prevent some kind of health problem, we cannot show the result in a year; it takes a considerably longer period for the outcome to become apparent. There are a number of complications in that area. I will ask Mr Chuk to speak to that.

Mr CHUK: We are working collaboratively with the Office of the Auditor General to ensure that our key performance indicators as presented in the annual reports meet the Auditor General's obligations to provide an opinion around our outcome statements. As Mr Daube has just indicated, we do struggle a little with some of our indicators where the action we take today does not provide a health benefit for some time in the future - perhaps a decade.

Hon RAY HALLIGAN: It makes one wonder whether they should be used as outcomes.

The CHAIRMAN: That is something we might take up with the Auditor General in due course.

Hon ADELE FARINA: I refer to the first dot point under residential aged care services on page 1112, which refers to the planning and negotiations for the establishment of a new multipurpose service in the Plantagenet-Cranbrook area. I am keen to learn more about that. On a recent visit to Cranbrook the need for the service to be established as soon as possible was raised. What is the current status of the planning and negotiations, and what would need to be undertaken to establish this service?

Hon LJILJANNA RAVLICH: I have to be very honest and say that I lack specific detail about these projects, but I am sure I can get some assistance through Mrs O'Farrell.

Mrs O'FARRELL: I do not have with me any detailed briefing information on that particular MPS project. I am happy to provide a precise update for that area.

[*Supplementary Information No 6.*]

Mrs O'FARRELL: However, a number of new multipurpose services have been brought into the program recently and are at the stage of going through their implementation and set up, and that is certainly the case in the area referred to by the member.

Hon LJILJANNA RAVLICH: Mr Brian Lloyd, who does cover this area, has unfortunately been called out on urgent business and we will have to deal with it as best we can.

Hon BARBARA SCOTT: The Gordon inquiry is referred to at the fourth dot point on page 1077. I note that the Department of Health is calling itself the lead agency in the Inquiry Into the Response by Government Agencies into Allegations of Child Abuse and Family Violence In Aboriginal Communities. Can the department explain in detail what is happening by way of intervention with those children and their families; how much money has the Department of Health spent on the Gordon inquiry; and what is the predicted outlay for this year?

Mr DAUBE: I will speak briefly to this and then ask Mr Jackson, who has been overseeing our work in this area, to respond. I stress, we play a leading role but we are not the lead agency.

Hon BARBARA SCOTT: Can Mr Daube describe the leading role the department plays?

Mr DAUBE: I will ask Mr Jackson to address this.

Mr JACKSON: The focus has been on two major areas: firstly, the expansion and relocation of the child protection unit currently at Princess Margaret Hospital for Children. That will be relocated to new premises. The cost of that refurbishment will be $285 000, and the expansion of the service will be at a total cost of

$766 000. This will give the child protection unit greater capacity, especially for counselling. The second component of the response has been to the sexual assault referral centres - we refer to them as the SARCs. The expansion of the SARCs across the State has been done at a cost of $800 000, and the relocation of the sexual assault referral centre in the metropolitan area will be at a cost of $360 000. The total allocation from the Department of Health is $1.566 million, of which $645 000 is in capital expenditure. The other important issue is that the sexual assault referral centres throughout the State will receive increased funding and their threshold for eligibility for clients has been reduced to 13 years of age.

Hon BARBARA SCOTT: I have a supplementary question. I read that information in the document. My specific question was: how many children in the Nyoongah community in the Swan Valley have been treated in this expansion of the program?

Mr JACKSON: I cannot give a precise figure on the number of children. We have attempted to maintain our normal services at that community through the Aboriginal health worker and the community and child health staff located at our east metropolitan population health unit. We have endeavoured to maintain our overall services to that community through this period.

Hon LJILJANNA RAVLICH: Would the member like that information to be taken on notice?

Hon BARBARA SCOTT: Yes. I want the specifics.

[*Supplementary Information No 7.*]

Mr DAUBE: There may be some difficulties in terms of patient confidentiality.

Hon BARBARA SCOTT: I do not want names; I want numbers of children since the Gordon inquiry and then how much funding has been spent on that community.

Mr DAUBE: We will seek to provide as much information as we can.

[3.20 pm]

Hon GIZ WATSON: My question is supplementary to a question on notice that I asked about environmental health. The answer I received said that the environmental health budget has not yet been finalised for 2003-04. Why not, and when will it be finalised?

Mr DAUBE: That question falls into a similar category as the question asked earlier about country health services. We are currently working on the finalisation of our budget allocations; that will be done shortly. If it is finalised within a matter of weeks, which we anticipate it will be, it will be a significant improvement to the days when it was September or October before people in the Department of Health got their budgets; I certainly remember those days. However, we are in the process of finalising our allocations in the environmental health area, which is very important, and we will be very happy to provide that information as soon as the figures are available.

The CHAIRMAN: I will make that supplementary information No 8, acknowledging that it will take some time and will not come through within the normal requisite number of days.

[*Supplementary Information No 8.*]

Hon DERRICK TOMLINSON: Data on Aboriginal health indicates an unacceptably high incidence in rural and remote communities of what might be described as preventable or lifestyle diseases, such as diabetes, renal disease, dietary disease and so on. What programs are in place to address the prevention of those types of maladies in remote and rural communities? Are they provided only through Aboriginal health services? Does the department, through its Office of Aboriginal Health, contribute financially to programs or does it rely entirely on funding through the Commonwealth Office of Aboriginal and Torres Strait Islander Health Services and the Aboriginal and Torres Strait Islander Commission?

Mr JACKSON: There are a number of issues in that question. Certainly chronic and preventable diseases in the Aboriginal population are a high priority for us. The allocation of funds to Aboriginal health in the last financial year was in the order of $24 million. That was supplemented by additional funds provided through the Commonwealth, such as the primary health care access program - PHCAP. Additional funding, therefore, is going to Aboriginal health. We have approximately 120 contracts through that office, many of which are directed at preventable and chronic diseases, such as diabetes. We are particularly mindful of the need to drive downstream many of our health programs and our health costs, otherwise they impact on acute care centres.

Hon DERRICK TOMLINSON: Could you please explain what you mean by "drive downstream"?

Mr JACKSON: By preventing diseases such as diabetes, we can prevent the costs of renal dialysis upstream. For example, the member's question relates to improved nutrition in Aboriginal communities that can impact on the incidence of diabetes further downstream. I do not think I have answered all of the member's questions;

however, preventable and chronic diseases are a high priority. We encourage mainly Aboriginal-controlled organisations to deliver these programs. We have taken a different stance with the Office of Aboriginal Health in engaging with regional population health units. In the past there was almost funding with care but no responsibility. Now our officers are working with regional population health units. We have established joint and regional planning forums with both the Commonwealth and Aboriginal-controlled organisations in the regions, with the purpose of being on the ground to see how they are going and how they are keeping up with the programs so that we do not have issues at the end.

The CHAIRMAN: I know that Mr Daube wants to add something, but two more members want to ask questions. I remind him, therefore, that he may be speaking on his fellow officers' time.

Mr DAUBE: I will be very brief. My first comment - I hope it is not regarded as gratuitous - is that it is refreshing to be getting many questions about prevention and early intervention and so on, which we are not accustomed to in these hearings, and we really do appreciate them.

Hon DERRICK TOMLINSON: Perhaps it is because of the advancing age of the members!

Hon LJILJANNA RAVLICH: Some members!

Mr DAUBE: My second comment is that we are working well and closely with our colleagues in the Commonwealth in the area of life expectancy and the life expectancy gap of Aboriginal people. We are facing enormous difficulties. The reality is that in addition to the commonly recognised issues in environmental health and so on that must be addressed, there are also enormous behaviour and lifestyle issues. We will not resolve those issues overnight; they will require cooperation and often changed attitudes in Aboriginal communities themselves. We must work with Aboriginal community leaders on those issues. I believe that we will not see some of the change that we want to see until the central indigenous leadership acknowledges that some of these behavioural and lifestyle problems are problems of the entire community.

Hon ADELE FARINA: I refer to page 1112 of the budget papers. The major initiatives for community-based services refer to the development of a new service for parents of children with a mental illness. What are the policy reasons and the demand pressures driving this initiative? What is the type and extent of services that are intended to be provided?

Dr LLOYD: As members would be aware, research indicates that parents of children with a mental illness are vulnerable to a variety of illnesses. We have been keen to develop a program and I understand that the program is currently being initiated in the south through our southern health service. We anticipate that we will be able to provide good support and preventive strategies for these vulnerable groups. It is our intention to expand that program as it gets under way in the very near future.

Hon MURRAY CRIDDLE: I refer to page 1075 and the capital works program. There is an indication of a slight overrun in the budget. How much of that is attributable to the major teaching hospitals?

Hon LJILJANNA RAVLICH: To where is the member specifically referring?

Hon MURRAY CRIDDLE: Page 1075 of the budget papers. As I read it, there has been a slight overrun from last year to this year.

Hon LJILJANNA RAVLICH: Where?

Hon MURRAY CRIDDLE: In the budget. How much of that is attributable to teaching hospitals? Also is there a carryover of funds in the capital works program; and, if so, how much is that carryover?

Mr CHUK: If I have heard the question correctly, the member is referring to total appropriations and outputs and the estimated actual this year of $2.402 billion versus the budget of $2.381 billion. Unfortunately I do not have directly in front of me the answer to the question about how much relates to teaching hospitals and I am loath to give a proportion. I am aware that some increase between those two figures relates to commonwealth programs. I am aware that the funding provided by the Commonwealth for meningococcal disease, which I believe is $10 million for the current year, is recorded in the higher figure and accounts for almost half of that difference. On that basis, it is probably fair to say that proportionately our total health services account for around $2 billion of expenditure. I cannot reel off what portion of that relates to teaching hospitals but my estimate would be in excess of $1 billion. My estimate would mean that of that unaccounted-for $10 million, probably $4 million or $5 million relates to teaching hospitals.

[3.30 pm]

The CHAIRMAN: The second part of the question was is there a carry over of the capital works budget from one year to the next?

Hon MURRAY CRIDDLE: If you have a contract this year and the contract is not completed, how much of that money will be carried over to next year?

Mr CHUK: The capital works program accounts for cash flows on major projects such as Geraldton Regional Hospital, which I think is $40 million over three years.

Hon MURRAY CRIDDLE: What I am trying to establish is whether it is unspent money in the year in which it is allocated or whether it is carried over to the next year.

Hon LJILJANNA RAVLICH: Would that be the same as the holding account?

The CHAIRMAN: If Mr Chuk understands the question and can provide an answer now, that will be helpful.

Mr CHUK: Towards the end of each year the department assesses how it has tracked its capital expenditure. If it finds itself in the situation that the member is suggesting and has underspent but may have commitments, application is made to Treasury to carry those funds over. That is the normal process that occurs in June each year.

Hon MURRAY CRIDDLE: I would like that figure, Mr Chairman.

The CHAIRMAN: Do you have the figure here, Mr Chuk?

Mr CHUK: That figure will be available only towards the end of this month.

Hon MURRAY CRIDDLE: I am concerned about the impact on the budget. If I could have that figure on notice it would be handy.

The CHAIRMAN: Supplementary information will be provided with regard to the unspent capital expenditure that is being carried over for this current financial year. We recognise that that information will not be available until some time after the end of the financial year, so I will mark that question in a particular colour because the answer will not come back by the due date.

[*Supplementary Information No 9.*]

Sitting suspended from 3.33 to 3.45 pm