Division 71: Health, $2 316 348 000 -

Hon George Cash, Chairman.

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

Professor B. Stokes, Acting Commissioner of Health, Department of Health.

Mr A. Kirkwood, General Manager Finance and Resource Management, Department of Health.

Professor G. Lipton, General Manager-Chief Psychiatrist, Department of Health.

Mr M. Jackson, Director Environmental Health, Department of Health.

Mr T. Murphy, Executive Director, WA Drug Abuse Strategy Office.

Ms S. McKechnie, General Manager General Health Purchasing, Department of Health.

Mr P.A. Stephenson, General Manager Public Health, Department of Health.

Dr D. Jones, Acting Chief Medical Officer, Department of Health.

Mr C. Xanthis, Acting General Manager, Office of Aboriginal Health.

Mr A. Buckley, Director Asset Management, Department of Health.

Mr M. Moodie, Executive General Manager Finance and Infrastructure, Department of Health.

Mrs C. O'Farrell, Executive General Manager, Health System Performance, Department of Health.

Mr J. Kirwan, Executive General Manager, Public Health and Purchasing.

The CHAIRMAN (Hon George Cash): On behalf of the Legislative Council Estimates Committee, I welcome you to today's hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The Committee values that assistance.

For the information of members, these proceedings will be reported by Hansard. The daily *Hansard* will be available 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 head when answering questions. It will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated fund estimates, members give the page number, item, program, amount, and so on in preface to their questions. If supplementary information is to be provided, I ask for your 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 documents has been provided to your advisers.

May I remind those members of the public in attendance that only accredited media representatives may take notes. However, full Hansard transcripts will be available to the public within a week of the close of these hearings.

The Committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. At this time, I ask each of the witnesses whether they have read, understood and completed the Information for Witnesses form. Do all the witnesses fully understand the meaning and effect of the provisions of that document?

WITNESSES: Yes.

Hon LJILJANNA RAVLICH: I thank the Committee for the opportunity to make a number of comments on the health budget. The health budget, which consists of an allocation of $2.3 billion, represents 24 per cent of the State's budget and, for the first time, the state budget has been prepared on a full accrual appropriation basis. Previously, the budget was prepared on a cash basis. Therefore, because this is the first year that it has been prepared on a full accrual appropriation basis, last year's budget has been adjusted for accrual appropriations to allow a comparison with this year's budget. Initiatives funded in the 2001-02 budget for the first time include superannuation totalling $91.1 million, a capital user charge of $91.8 million and an amount of $13.8 million for the Western Australian Drug Abuse Strategy Office. In addition, the concept of appropriation asset was introduced into the budget construction, to the value of $76.5 million. The recurrent budget has been increased by $79.7 million or 3.7 per cent over the 2000-01 out turn. The increase primarily consists of election

commitments, net of savings, totalling $30 million, and an increase in base funding. The Government is focusing on the fact that additional funding has been provided to health, and hospital health services are expected to achieve the required level of service with the funding provided. This is a departure from the past when budget holders held the view that they could simply come back to the Government of the day and seek additional funds. That will no longer be the case. Budget holders are expected to be disciplined and responsible and to work within the budget allocated to them.

On a total appropriation basis, which is the recurrent and the capital, there is an overall increase of $68 million. This figure has been used in media releases and the total is less than the recurrent because the capital component reflects an $11 million reduction due mainly to the repayment of private sector payments relative to the Armadale hospital construction.

There are no cuts in this year's health budget. The priority and assurance dividends of 1.5 per cent, which were applied to some other government agencies, have not been applied to the health budget and this reflects the Government's commitment to improve health services in Western Australia.

I will quickly run through how the budget was allocated to the budget holders. The Department of Health allocates the budget to any person or organisation holding a budget. The allocation consists of three primary sources - the state government allocation, the commonwealth government specific purpose grants, and other sundry fundings. The Government has committed a total of $46.4 million to fund election commitments for 2001-02 as outlined on page 125 of the *Economic and Fiscal Outlook* with a total of $246.9 million being provided over the forward estimates period. In addition, the Government has committed to provide $21.3 million in capital works for 2001-02, with the funding totalling $176.4 million over the forward estimates period.

The Government is introducing a number of reforms to health but one of the most pressing issues that the Government faces is reining in spending by the health sector. As members are aware, the health administrative review committee was established. In addition to that review, this budget has been framed in consultation with the budget holders and there have been bilateral meetings on the budget allocations between the Department of Health and the major teaching and regional hospitals.

[2.10 pm]

The budget holders have been advised that they are expected to stay within budget. The budget holders are for the first time in the process of signing resource agreements to ensure there is a form of contractually binding agreement between them and the Department of Health. In addition to these initiatives, the Department of Health is also looking at the issue of cost drivers, and it is taking a micro view of one of the major teaching hospitals to get a better understanding of what is forcing the costs upwards in the health system. In addition, other strategies are being introduced to try to reduce the costs in the health system. One of the areas being looked at, for example, is adverse events and the auditing of clinical outcomes; in other words, the Government is trying to ensure that we get the appropriate outcomes at the appropriate cost rather than a blow-out in those costs.

Linked with the desire to achieve the appropriate clinical outcomes, the Department of Health has introduced a computerised incident management system to report clinical incidents, because these adverse events are a major risk to the health system. This system will try to address that issue. All these initiatives, together with the implementation of the health administration review committee review, will lead to a more cost-effective system, with increased accountability. We believe that will lead to a higher quality of service for all Western Australians. I thank the committee for the opportunity to put my opening statement on the record.

The CHAIRMAN: Before we commence questions on division 71, I indicate that I have received two questions on notice from Hon Derrick Tomlinson. Answers have been provided to those questions and I table those answers for the information of members.

Hon SIMON O'BRIEN: The parliamentary secretary mentioned in her brief opening remarks that there was an increase in this year's budget of $68 million or $69 million. What is the increase in real terms in the health budget in (a) dollars and (b) percentage between the 2000-01 and 2001-02 financial years?

Hon LJILJANNA RAVLICH: The member is correct. The member will see from page 1237 of the *Budget Statements* that the estimated actual for 2000-01 was $2.247 million, whereas the budget estimate for this year is $2.316 million. That represents an increase of $68 million on last year's out turn adjusted for comparative purposes, and it includes both capital and recurrent expenditure. The total appropriation to purchase outputs,

which are recurrent only, was $79 million. In real terms there has been 3.7 per cent real growth on recurrent for the 2000-01 out turn and 3.5 per cent real growth on capital and recurrent expenditure.

The CHAIRMAN: Hon Simon O'Brien can ask a second question on the basis that it will be a follow-up question. I will generally try to do that if a member has a follow-up question, but that cannot be guaranteed.

Hon SIMON O'BRIEN: The parliamentary secretary has indicated that the total expenditure represents an increase of 3.5 per cent. However, I asked what the increase is in real terms. Is it not actually closer to 0.8 per cent, after allowing for inflation and other factors?

Hon LJILJANNA RAVLICH: The recurrent budget has been increased by $79 million or 3.7 per cent over the 2000-01 out turn. The increase primarily covers election commitments net of savings, together with an increase in base funding. I will ask Mr Kirkwood to pick up the second point of the question because the adjustments need to be explained within the context of accrual appropriations.

Mr KIRKWOOD: The member referred to the bottom line. I will clarify that figure and the figures moving forward from there. Accrual appropriation has seen the introduction of a new accounting regime. Page 1265 of the *Budget Statements* explains that. The bottom-line figure shown moves away from the traditional figure - one can see the cash basis, the actual figures and the growth. Page 1265 contains a capital works figure of $102 million and various adjustments. One of those adjustments is a $8.5 million repayment relating to the Armadale private facility. The department pays for it and the private operator repays the department. It appears that the dollar amount is decreasing. It is, but that is a result of repayments, which are effectively reducing the bottom-line figure. The reduction from $78 million to $68 million is caused by the impact of the accrual-appropriation accounting process.

Hon E.R.J. DERMER: I refer to page 1264 of the *Budget Statements*. I am particularly interested in the listing for nursing home upgrades. I would like information about the progress of that program and the impact that it will have on freeing up hospital beds currently occupied by nursing home patients.

Hon LJILJANNA RAVLICH: Nursing homes are a Commonwealth Government responsibility. The State Government finds itself in a difficult situation in that increasingly aged persons are placed in hospitals awaiting placement in nursing homes. This is an escalating problem because we have experienced a reduction in the number of commonwealth-funded nursing home beds. The result is that many elderly people in need of care do not have a nursing home placement, and that is putting enormous pressure on the hospital system. A Bunbury facility with which I have had some contact in recent times constantly has about 12 elderly people on its nursing home waiting list. That problem is replicated in most major teaching and regional hospitals. Page 126 of budget paper No 3, which deals with capital expenditure, indicates that the Government has committed $3 million over four years for a capital upgrade of nursing homes. The 2001-02 allocation is $1 million of the $3 million total. I defer to Professor Stokes to add to those comments.

[2.20 pm]

Professor STOKES: This will make a difference to patients awaiting care in our A-class hospitals.

Mr BUCKLEY: The only project committed to that allocation is an upgrade of the Hollywood Private Hospital so that it can take patients from Sir Charles Gairdner Hospital.

Hon E.R.J. DERMER: How many patients will be taken from Sir Charles Gairdner Hospital?

Mr BUCKLEY: I am advised that 22 patients will be accommodated at Hollywood Private Hospital as a result of the expenditure.

Hon M.J. CRIDDLE: I refer to page 1237 of the *Budget Statements*. The 2001-02 budget appropriation is $2.3 billion. Can the Department of Health confirm the budget for each health service? If so, have each of the health services been contacted to inform them of their budgets? Will there be any downgrading of services?

Hon LJILJANNA RAVLICH: My understanding is that the bilateral negotiations with individual budget holders have been conducted for some months. Most budget holders will have already agreed to their budgets or are in the process of finalising their agreements. I do not expect there to be any reduction in services. The honourable member will be well aware that when Labor took office it found the health system was in severe difficulties. There had been massive overruns in budgets. The Government is endeavouring to bring some discipline to the budgetary process. Once the resource agreements have been signed, the challenge will be for the hospitals to allocate money in the most fitting and appropriate way in order to meet their health outcomes. Regional hospitals will not be treated differently from major teaching hospitals. Nevertheless, the Government is telling the hospitals that they have certain amounts of money and they are to achieve the most appropriate outcomes for the community. The hospitals will not be given an open chequebook to spend what they want and then come

back to the Government for more. The bottom line is that the chief executive officers of major teaching hospitals and the managers of regional hospitals need to exercise discipline. They must demonstrate the capacity to manage. If they do not manage, it is fair for the Government to ask why the agreed outcomes cannot be achieved. The Government would need to look carefully at whether a particular manager or chief executive officer had a deficiency in financial skills. The Government is calling for discipline from the hospitals and it expects it. The Government will take no less.

Hon SIMON O'BRIEN: The member should some exercise discipline herself.

The CHAIRMAN: Order! We have only one and a half hours. I do not want to spend the next 60 minutes fighting with members about who will get the call.

Hon M.J. CRIDDLE: I am happy to get to the crux of the matter. I visited Jurien Bay a few days ago. The capital works program has been put in place. An amount of $200 000 has been allocated for facilities required at Jurien Bay, Lancelin and Leeman. Recurrent funding of $370 000 has been allocated for reasonable health services to be provided in the area. I take on board the parliamentary secretary's remarks. What I am after in country, regional and rural Western Australia is an efficient public health system.

Hon LJILJANNA RAVLICH: The member will see on page 126 of budget paper No 3 that $20 million is allocated over four years, of which $9.5 million has been allocated in the 2001-02 budget for a systematic upgrade of hospital buildings and equipment across the State.

Hon M.J. CRIDDLE: That was not the question I asked. I asked about the recurrent funding for the nursing staff and the general running of those three facilities.

Hon LJILJANNA RAVLICH: I have just been advised that that is built into the mid west health budget, and it is up to the appropriate boards to ensure that that is administered effectively.

Hon M.J. CRIDDLE: I understand that there is an allocation. The point is that there has never been an allocation over and above the $200 000 that was given last year to facilitate those new developments.

Hon LJILJANNA RAVLICH: As I am not familiar with the Jurien Bay situation, may I take that on notice?

Hon M.J. CRIDDLE: Certainly.

Hon LJILJANNA RAVLICH: In view of that, and to ensure the member gets an appropriate answer, I am happy to do that.

Hon GIZ WATSON: I refer to page 31 of the Health Department of Western Australia's 1999-2000 annual report and to the Centre for Mental Health Services Research. An amount of $574 000 is listed as the funding provided to the CMHSR. What is the total amount of funding provided to the CMHSR from all Department of Health sources? Can the parliamentary secretary provide a breakdown of operational funding research grants from all Department of Health sources, including general purchasing and mental health division?

Hon LJILJANNA RAVLICH: The area of mental health is a growing problem. It is one to which the Department of Health has committed additional resources. Last week was mental health week. Eleven per cent of the population have mental health problems. It is anticipated that by 2020, 15 per cent of the population will have some sort of mental health problem. Through the Chair, I ask that Professor Lipton respond specifically on the CMHSR.

Professor LIPTON: The centre is now in its third year of operation. It receives $500 000 as an annual grant - it is a five-year contract to achieve that. That is broken up into administration, which is perhaps a quarter of it, and the rest is the various projects the centre does, all of which are clearly specified in the contracts. On top of that, the division occasionally commissions the centre to do certain research that is important - for example, to ascertain how standards in non-government organisations match national standards; or to develop a set of criteria for daily living care of people in licensed psychiatric hostels and the like. The centre has done some useful work. I cannot give the exact figures, but I will take that on notice, if that is okay. Beyond that, the centre acquires funds from other places. It gets research grants from sources other than the department. It is envisaged that that component of the centre's income will increase as its work continues. However, I will certainly get the amount of funding it uses and how it is broken up.

[2.30 pm]

Hon LJILJANNA RAVLICH: Professor Lipton has given an undertaking that we will provide the information of other funding sources.

Hon GIZ WATSON: What is the total amount of funding from Department of Health sources provided to this centre since its establishment?

Hon LJILJANNA RAVLICH: I have been fairly studious in my preparations but I do not have those specific details. I take that question on notice.

Hon DERRICK TOMLINSON: I also thank the Parliamentary Secretary to the Minister for Health for the answer to my question on notice regarding the emergency medical services in the peripheral hospitals. I note in the answer that 11 emergency consultants and 21 emergency medicine registrars will be required for the Swan District Hospital, the Armadale-Kelmscott Memorial Hospital and the Rockingham-Kwinana District Hospital. Currently, the Swan District Hospital has two part-time emergency consultants who are shared between it and the Royal Perth Hospital; Armadale has none; and I do not know what the situation is at Rockingham. A similar situation exists for registrars. That indicates the need for considerable recruitment of emergency medicine consultants and emergency medicine registrars if the commitment that those hospitals will provide 24-hour-a-day, seven-day-a-week emergency services is to be met.

Have the hospitals commenced advertising for those people? Is the department, or are the hospitals confident that they will get those people? Given that there is no provision in the budget for any of these positions, other than at the Rockingham hospital, how will the total number of dollars to employ those people be met?

The CHAIRMAN: If Hon Ljiljanna Ravlich wants to refer the question to one of the professional advisers -

Hon LJILJANNA RAVLICH: I will make a statement before I do. Mr Chairman, you might remember the issue at the Swan District Hospital about which an urgency motion was raised in this place. The sticking point on that issue was that the doctors' enterprise bargaining agreement was limiting. The EBA clearly stated that a doctor could not be transferred from a hospital or health service to a position elsewhere. That was a major limitation on the restoration of emergency department services at that hospital. The existing EBA continues to limit the ability of the Government to transfer resources from where they may be oversupplied to where they are under-supplied. I will refer to Dr Bryant Stokes the question concerning the specifics about whether we have advertised and whether we are confident we will be able to get the staff.

Professor STOKES: Firstly, we must consider that emergency department specialists are in short supply throughout the country. Currently, about 600 trainees are involved in training programs throughout the country. We are considering the regionalisation of services so that the peripheral emergency departments can be upgraded. The infrastructure within the hospitals can also be upgraded so that the patients who can be treated at the emergency departments in secondary hospitals may be admitted to those hospitals and treated there rather than having to go to tertiary places. The plan is to upgrade those hospitals, including Swan District, Rockingham and Armadale. As Hon Giz Watson is aware, the emergency department has been upgraded significantly. Already, advertisements have been made for staff at the Swan District Hospital and are continuing to be made to increase the staff. We have chosen locum people to increase the numbers.

With regard to the situation at Rockingham-Kwinana District Hospital, I have had discussions with the Rockingham emergency department people, and with the administration of Fremantle Hospital, and an advertisement will be placed for a further ED consultant at Rockingham hospital. However, as an interim measure, Rockingham is proposing to provide an exchange service for some of the more senior residents at night. The budgetary framework for the regions, taking into account the tertiary hospitals and the other hospitals in a region, provides the opportunity to increase the number of staff at the peripheral hospitals, because less work will be done at the tertiary hospitals, and that will allow some funds to be moved to the peripheral hospitals to enable them to do that work. However, it will take time to get adequate numbers of staff.

Hon DERRICK TOMLINSON: I guess this is not the place to debate the parliamentary secretary's statement about the causes of the problem at Swan District Hospital, but I suggest that it would be enlightening for her to visit that hospital, considering that it is in her electorate, and to speak to the consultants to find out what is the true cause of the discontinuation of services.

The CHAIRMAN: I will take that by way of a statement. Does the member have a question?

Hon DERRICK TOMLINSON: I have a supplementary question. I thank Professor Stokes for his explanation. I take it that Professor Stokes is not confident of getting the necessary staff. I notice that the figure for Swan District Hospital is $2.2 million, and there is no provision other than the $1.25 million that was offered in a letter from the minister, not the department; the figure for Armadale-Kelmscott Memorial Hospital is $2.54 million; and the figure for Rockingham-Kwinana District Hospital is $1.4 million. For both Armadale hospital and Swan District Hospital, there is no provision. Rockingham hospital expects 31 000 emergency department attendances

this year and is seeking to reduce in-patient activity to meet these costs. In order to provide these emergency services in the peripheral hospitals, is the strategy to reduce services in other parts of the hospital?

Hon LJILJANNA RAVLICH: I understand that these budgets are indicative and have not been finalised.

Mr KIRKWOOD: These are indicative budgets at this stage. We are working through a bilateral process. We are looking at the broader context of working in areas for these facilities, and at this stage that process has not been finalised.

Hon DERRICK TOMLINSON: So not only do they have to compete for services within their own hospitals but also they have to compete for services with, for example, Royal Perth Hospital and Fremantle Hospital?

Mr KIRKWOOD: When I say an area, I am referring to a group. For example, Armadale is in -

Hon DERRICK TOMLINSON: East Metropolitan, and Rockingham is in Fremantle.

The CHAIRMAN: Order! I cannot allow a discussion between members and officers. The member has asked the question and has received an answer, and I am sure that, if necessary, the member will follow it up in due course.

Hon SUE ELLERY: I refer to metropolitan public hospital capital works priorities. Where do capital works upgrades to emergency department facilities fit into those priorities?

Hon LJILJANNA RAVLICH: The Government's priorities for capital works can be found at page 126 of budget paper No 3. As I explained earlier, there is an allocation of $20 million during the forward estimates period for the upgrade of hospitals and the purchase of equipment for hospitals.

[2.40 pm]

Mr BUCKLEY: Within the new works program shown on page 1264 of the *Budget Statements*, allocations are made to area health authorities. Included in the item "East Metropolitan Health Service Development" of $24.5 million, $21 million is allocated to Royal Perth Hospital, and that will include extensive upgrades to the emergency department. An allocation of $8 million is also made for the Sir Charles Gairdner Hospital emergency department upgrade, which is included under the item "North Metropolitan Health Service Developments". In each case the main thrust is to increase the capacity of the emergency department to deal with patients without admitting them to acute in-patient beds.

Hon SUE ELLERY: I seek clarification as to where the capital works for the emergency departments fits in the expenditure priority. Is it at the top of the list or in the middle?

Mr BUCKLEY: The Department of Health has a strategic infrastructure planning committee which determines all priorities for capital expenditure. It has not yet made recommendations on priorities to the Minister for Health.

Hon BARRY HOUSE: My question is of a general nature. I cannot refer to a page number in the *Budget Statements*, because the figures for rural health services are not available for members to scrutinise. That is a problem. I will ask some questions using one of those health services as an example, and perhaps the parliamentary secretary and the advisers might be able to help me. The Vasse-Leeuwin Health Service, as I understand, is in negotiations about an indicative bottom-line figure in the order of $17.9 million. That is claimed to be an increase of $970 000 over the year. In that figure, however, $1 million will be taken up by an increased wages bill. Figures are given for capital works of $617 000, and for a south west plan of $300 000. Nobody seems to quite know what that is - I can only surmise that it is in line with the Health Administrative Review Committee recommendations, which point towards health services being abolished and restructured to fit in with development commission boundaries. Another figure of $326 000 is related to election commitments. What does that represent? The real figure, for actual service delivery, is in the order of $14.6 million, which is a real decrease of $1.3 million from the figure for the previous year. Will the parliamentary secretary comment on that?

Hon LJILJANNA RAVLICH: The member will appreciate that I do not have those specific figures. The budget for the Vasse-Leeuwin Health Service of $17.9 million is indicative, and is still being negotiated. Mr Alex Kirkwood will make some comments, but I also offer to take Hon Barry House's question on notice, so that the specific figures can be addressed.

Mr KIRKWOOD: I can only repeat that the figure quoted is indicative. Part of the Department of Health's bilateral process was to provide the general managers with some information about the make-up of the budget.

In constructing the budget, we asked the general managers to look at the whole process, including the methods by which they could achieve the budget. That process is still being worked through in this case. In defining the capital works and the election commitments, a number of priorities for election commitments were included in *Economic and Fiscal Outlook*. The figure quoted by the member is the component relevant to that health service. Again, that figure is indicative, and it is being fine tuned as part of this bilateral process, which will be concluded fairly soon.

Hon BARRY HOUSE: I ask a follow-up question to get some clarification on the plans for the health services in regional Western Australia. Does the department plan to restructure the regional health services in line with development commission boundaries? If so, when, how will it be done and how is it intended to involve community consultation and some local input into any future model?

Mrs O'FARRELL: The Health Administrative Review Committee is about to embark on a consultation process and a review of the administration and governance of service arrangements for the country service sector. It is currently reviewing a process and consultation format for that review. It is envisaged that in the very near future, it will commence that process. It will call for public submissions; a discussion document will be released; and there will be adequate time for in-depth consultations with many stakeholders in the rural service sector. The ultimate configuration of services, administration boundaries and governance arrangements are all open for a genuine process of review and consultation at this stage. No decision has been made to my knowledge.

Hon JON FORD: On page 1262 of the *Budget Statements* the fourth paragraph of the capital works program refers to some major development in some regional centres. When will the planned redevelopment of the Port Hedland Regional Hospital occur? Has any consideration been given to the relocation of the hospital?

Mr BUCKLEY: The Port Hedland Regional Hospital redevelopment committee has just finished health service planning. Its final report has not been received by the department. The report does not address the facility outcomes. There is the option of relocating to South Hedland. The key issue is that we have $11 million in the capital works program for a phased redevelopment of the Port Hedland Regional Hospital onto the adjoining primary school site which we bought some years ago. We would need at least $60 million to build a brand new hospital on the South Hedland site, which we also hold. At this stage health service planning is nearing finalisation and the facility outcomes have not yet been addressed.

Hon SIMON O'BRIEN: The Government has given an election commitment, which is reflected on page 127 of budget paper No 3 and elsewhere, to provide funding of $10.5 million in the current financial year to hospitals to reduce waiting lists for patients and a number of other purposes. How many patients were waiting for surgery on 1 July 2001? How many patients will be on the waiting list on 30 June 2001? When providing those figures, will the parliamentary secretary explain what sort of strategies and what proportion of that $10.5 million is being applied to reducing waiting lists?

[2.50 pm]

Hon LJILJANNA RAVLICH: An allocation of $2 million has been targeted at reducing waiting lists for additional long-wait category 2 and 3 elective surgery patients. That is in addition to the $23 million already allocated. Ms McKechnie will comment on the specific strategy, and provide the member with the information he requires on the numbers. Members should keep in mind that the waiting lists have not evolved since February. They are an ongoing problem, which escalated under the previous Government.

Ms McKECHNIE: We do not have to hand the specific detail requested by the member. We can provide that information on notice. We are focusing on three pieces of the strategy. The first is category 1 clients, whose needs are most urgent. As from 1 October we have been providing specific funds to hospitals to address the needs of category 1 patients. The aim is to provide care for those people as soon as possible. We are also focusing on the less urgent category 2 and 3 clients who have been waiting the longest. We will target specific funding for those categories. Another group of clients we will focus on is those people who have been waiting for outpatient procedures for a long time. A component of that extra $2 million will be focused on those clients.

Hon LJILJANNA RAVLICH: In addition to the $2 million to reduce the waiting list for long-wait category 2 and 3 elective surgery patients, $6 million has been allocated to metropolitan health authorities to develop bed management strategies to respond to increasing emergency department demands. The north east and south metropolitan health authorities will receive $1.7 million each, and women's and children's health authorities will be allocated $900 000. The Government is making a concerted effort to address the issue of waiting lists. It is endeavouring to reduce waiting lists as a matter of priority.

Hon SIMON O'BRIEN: I am grateful for the answer to that question, and for the parliamentary secretary taking on notice my question about the numbers on waiting lists as at 30 June 2002, which can be a projected figure

only. How much funding is available for additional mental health services in the Rockingham-Kwinana area, and to what services will those funds be applied? My reason for asking might be helpful to the officer who will give the answer. Some concern has been expressed by the Rockingham City Council and others about inadequacies in the mental health services in that area. One example given was that of a possible suicide-risk patient who was not able to get attention for two days. That sort of example gives rise to concern. I will be seeking to visit that area, with the minister's concurrence.

The CHAIRMAN: I am sure the member will, but will he ask the question?

Hon SIMON O'BRIEN: How much funding has been made available for additional mental health services in the Rockingham-Kwinana area, and how will those funds be applied?

Hon LJILJANNA RAVLICH: As I outlined earlier, mental health has a growing problem that needs to be stemmed. Currently 11 per cent of the population have some sort of a mental problem, which rate is expected to rise to 15 per cent by 2020. It is a complex issue. Members will note from page 125 of budget paper No 3 that the Government has allocated $2.5 million to mental health in 2001-02. In addition, $1 million has been allocated over four years to carers of mentally ill people in regional areas, of which $250 000 has been allocated in 2001-02. I do not have information on the specific questions vis-à-vis Rockingham-Kwinana and I ask Professor Lipton to comment on those matters.

Professor LIPTON: The core budget for Rockingham-Kwinana has remained as it was last year with additions. Later this week we will be meeting with health professionals in Rockingham-Kwinana with the intention of adding probably one or two staff members to meet some of the emergencies that have occurred there. They will have an opportunity to take part in all the new government initiatives, which I will not spell out as they are all in the budget documents. We are now working on the way in which those new initiatives will be made available, and which the minister will have to approve. However, there is little question that some improvement will be achieved there.

It is regrettable in one sense that a patient had to wait two days before being seen, as was referred to by the member. However, it must not be forgotten that acute self-harming behaviours can be dealt with on the spot by general practitioners and in emergency rooms at Rockingham and Fremantle where there is no delay. Sometimes in the structure of a clinic such a patient can be deemed not to require hospitalisation or to wait a day or two for an appointment; however, that should not put a patient at risk if the proper emergency approaches have been taken. The south metropolitan corridor has very good community-based systems in place in addition to emergency rooms and general practitioners. I hope that sort of situation is understandable and does not put a patient at risk. However, in answer to the first question, some additional resources will be allocated to Rockingham as part of the new government-initiated program.

The CHAIRMAN: Hon Simon O'Brien indicated a desire to visit the area. Perhaps the facilitation of that request could be taken on board with either Professor Stokes or Professor Lipton.

Hon LJILJANNA RAVLICH: Would the member like me to arrange for Mr Norm Marlborough to accompany him on the trip?

The CHAIRMAN: Order! That is something that can be worked out in due course. As long as someone facilitates to meet him, the parliamentary secretary can take whomever she likes with her.

Hon DEE MARGETTS: It is obviously difficult to relate to programs when a program is not in the budget. Can the parliamentary secretary clarify the current funding status for completion of the Narrogin Regional Hospital? Members of the Narrogin community and the hospital are worried that the current building program will not be completed.

Mr BUCKLEY: The first stage of the Narrogin hospital redevelopment was completed in 1996. Stage 2 is under construction at a cost of $4.5 million. Stage 3 is on hold; therefore, stage 2 is being undertaken as works in progress to upgrade accommodation for the emergency, X-ray, pathology, day surgery and mental health departments.

[3.00 pm]

Hon DEE MARGETTS: I understood that changes to the radiology department and so on were happening. It appears that the changes that will make the system efficient, such as moving nurses' stations around and so on, will not occur in the foreseeable future. Is there a date by which those will occur?

Mr BUCKLEY: The third stage is currently unfunded but three general allocations have been made within the capital works program to address smaller issues. A general allocation of $4 million is available for equipment upgrades and the planning of stage 3 of the redevelopment. There is also a $7.5 million allocation for major

medical equipment and the like. An amount of $11.5 million is available within the general allocations to address hotspots across the State that are not specifically addressed in the capital works program. That includes any planning required to get stage 3 of the Narrogin Regional Hospital redevelopment ready for a future capital works allocation.

Hon DEE MARGETTS: Eleven and a half million dollars seems to be a small amount of money and leads to my second question. Much of the funding seems to be allocated to plug gaps in obvious problems. A number of people have told me that the infrastructure and equipment of regional hospitals are outdated. Have any general studies been conducted to provide an analysis of the medical facilities available in regional Western Australia and the ability of those facilities to meet community needs? The Government recently made an announcement concerning Geraldton Health Service. People in that area wanted to know whether the community had been consulted on how best to use the resources that were allocated? Has a systematic study of regional health needs been undertaken, rather than just the plugging of obvious gaps? This question relates to the health centre at Jurien Bay, which does not have adequate staffing. Has anyone carried out a systematic study of the funding that might be needed over time to achieve better levels of service?

Mr BUCKLEY: I will preface my statement by saying that all facility and capital works projects are undertaken to support health service needs only after significant health service planning has occurred. For example, Hon Dee Margetts mentioned the redevelopment of the Geraldton Health Service. A broadly based local project control group has been involved in the planning of that health service. That group has spent a year getting the concept of the health service right, which has just been received by the department. I reiterate that there is a strong link between health service planning and capital investment. There are some broad state planning studies, but I am not the best person to speak about those. I will limit my answer to those points.

Professor STOKES: The member may be aware that there is a north west plan and a south west plan. Those plans contain many of the requirements for the improvement of health services in those areas, together with some capital works activities or projected activities. However, a review of all rural hospitals has been carried out over the past 18 months, which has looked at the emergency services of those hospitals, the equipment in those emergency services, and operating rooms and sterilisation facilities.

It is clear that we need areas of excellence in rural areas that will attract good nursing staff for operating rooms and so forth. It is not possible to have a good operating room in every small country hospital. Many country persons to whom we have spoken agree with that. We are in the process of looking at how we can best serve the rural areas by upgrading some specific rural hospitals, such as in Narrogin and maybe in Merredin. The north west plan and the south west plan are available for comment. The remainder of the planning still needs to be done in the areas to which the member has referred.

Hon ALAN CADBY: Page 1242 refers to the merits of screening services. Page 1244 lists the screening program assessments at 284 420, with a note that the figure includes breast cancer, cervical cancer and newborn hearing screening programs. In the light of the common knowledge that males are reluctant to be involved in screening programs, where has prostate cancer screening been identified in the budget? The only male specific health target I can see is for the men's health centres at Geraldton and Kalgoorlie-Boulder, which have been allocated $50 000 each. Where is that money being spent? I refer to page 1245. Can the parliamentary secretary explain the 5.5 per cent saving in the average cost per screening assessment from $49.82 to $47.03, which, with inflation at three per cent, is a considerable saving?

Hon LJILJANNA RAVLICH: I had a thorough look at the budget papers, but I could not find a specific line item for prostate cancer. However, I am sure that there is probably a subprogram allocation that deals with that type of cancer, so I refer the question to Mr Kirwan.

Mr KIRWAN: The two specific men's health programs at Geraldton and Kalgoorlie were election commitments. Men's health programs are included throughout the rest of the programs. We run a range of men's health programs in Aboriginal health, public health and general health purchasing areas. They are not specifically identified. Women's health programs are not specifically identified, although Aboriginal health programs are. They are throughout the programs that are seen to require a specific men's health program or women's health program. They are determined at a regional health level. For example, cardiovascular disease in men might be a greater priority in some areas than in others, so that program is identified. Men's and women's health are priorities when they are obvious regional health issues. However, they are not specifically identified in the budget papers, which are outcome orientated and are more macro based. The programs that are mentioned were specific election commitments, and that is why they are identified at a relatively small level.

We can take the question about the screening programs on notice. Some work on the prostate screening program is being done at a national level. There has been some discussion about what should be done in this area, so it would be more appropriate to provide that information on notice, if that is agreeable to the parliamentary secretary.

Hon LJILJANNA RAVLICH: That is agreeable. I raised the reduction in the average cost per screening assessment from $49.82 to $47.03 in a briefing I had with departmental officers.

[3.10 pm]

Hon LJILJANNA RAVLICH: My understanding is -

Hon ALAN CADBY: Do we think alike?

Hon LJILJANNA RAVLICH: It is a new indicator. It might also indicate that the screening assessment process is becoming more efficient. In other words, efficiencies that evolve could result in a reduction in the per unit cost of screening. It is a new indicator.

Hon ALAN CADBY: Footnote (j) on page 1245 states -

> A range of indirect costs, part revenue, superannuation, depreciation and the new capital user charge have been apportioned to the cost of outputs.

A saving has not been produced by a reduction in the number of people employed to conduct screening. Footnote (j) refers to savings in superannuation, capital user charges and the like. There is no fall in the number of employees; nor is there any increased cost to the people being tested. Is that right?

Hon LJILJANNA RAVLICH: I had not looked at footnote (j), although I should have. Improved efficiency sprung to my mind as a possible reason for the reduction in costs. I ask Mr Alex Kirkwood to make some comments about the member's statement.

Mr KIRKWOOD: The capital user charge and superannuation are new elements in this year's budget, and prior years have been adjusted to provide a similar effect. Footnote (j) means that those costs have been built into the figures for both this year and last year to provide a true comparison. Any reduction is likely to be an efficiency gain.

Hon LJILJANNA RAVLICH: I was right.

Hon CHRISTINE SHARP: My questions relate to drug services and treatment. Footnote (i) on page 1245 indicates that the Western Australian Drug Abuse Strategy Office has been transferred to the Department of Health. Has that resulted in any savings? WADASO's overall budget for the last financial year was $13.52 million. Does the department expect a larger, smaller or similar budget for those activities this year? Can the parliamentary secretary outline the general changes that are anticipated as a result of the transfer?

Hon LJILJANNA RAVLICH: I said earlier that the Western Australian Drug Abuse Strategy Office has been allocated $13.8 million. Mr Terry Murphy will refer to the member's specific questions.

Mr MURPHY: No savings have at this stage been achieved as a result of the transfer; however, the member will be aware that the Government held a Community Drug Summit and will announce its response in the near future. The Minister for Health has indicated in the media that this issue will be addressed at that time. WADASO's specific cash allocation is much the same as the $13.5 million it received last year. In fact, it has received a net $180 000 increase.

Hon CHRISTINE SHARP: From my reading of the situation, about 16 recommendations from the Drug Summit have implications for the health budget. Are there any specific appropriations in the 2001-02 budget to meet the objectives of recommendations such as to establish safe injecting rooms, to hold heroin trials or to provide in-service training, which are only a few of the 40 or so recommendations? Where is the funding to meet those objectives?

Hon LJILJANNA RAVLICH: As the member will be aware, the Drug Summit occurred between 13 and 17 August 2001 in the other place. I understand 45 recommendations were made to which the Premier has made a commitment to respond in Parliament by 18 October. Obviously, budget requirements will be determined based on what recommendations are adopted by the Government. There is no point putting the cart before the horse because not necessarily all 45 of the recommendations will be adopted.

Mr MURPHY: Hon Christine Sharp asked what changes may occur as a result of the recommendations from the Drug Summit. The Minister for Health has indicated publicly that there is some duplication in the administration of alcohol and drugs by the Government in this State. Removal of that duplication will provide an opportunity for reinvestment in direct client services. We can expect that to occur in the near future following the Government's response to the Drug Summit.

The CHAIRMAN: Members should confine themselves to single questions.

Hon M.J. CRIDDLE: Professor Stokes commented on possibly downgrading rural hospitals, which is a real concern in areas such as the wheatbelt and rural and regional Western Australia. Is it possible to indicate that hospitals in the eastern wheatbelt will not be downgraded, particularly those in places such as Wyalkatchem, Narembeen and Kellerberrin?

Are there any plans to refurbish the Denmark District Hospital or to build a new hospital as it is a 100-year-old weatherboard building?

Professor STOKES: Our objective is to not downgrade hospitals but to make efficient use of them so that their facilities can handle operations and manage important investigations. Each country town that has a hospital, certainly at present, must retain it in a functioning way for emergency purposes at least and for in-patient activity that does not require tertiary or major secondary care.

With regard to surgery in rural areas, which is what I was really referring to, it is not possible to maintain accurate facilities in all small hospitals. For example, over the past five years, sterilisation requirements have significantly increased on a national basis. To upgrade all hospitals to that level of requirement with HEPA filters in the theatres and so forth would be financially impossible for any Government. We must therefore make a rational decision somewhere along the line on where in rural areas those major procedures can be undertaken. The other issue is that a significant number of operations must be undertaken to retain nursing staff with theatre experience. Preliminary discussions on not downgrading hospitals but on making them appropriate for particular services have met with significant understanding by many people in rural areas.

[3.20 pm]

Mr BUCKLEY: This answer relates to the Denmark District Hospital redevelopment proposal. The Denmark District Hospital was built in 1924. Its upgrade was not funded this year, but the hospital does share in the general allocation of $11.5 million for equipment, upgrades and, more importantly, planning for the future. The Health Administrative Review Committee's administrative structures for rural health services will also have a part to play in the role of Denmark District Hospital within whatever the HARC region is for that great southern or south western corner.

The only other issue is that of aged care. There are aged care pressures in that area, as 36 aged care places are required by commonwealth benchmarks. That suggests that many of the pressures at Denmark District Hospital are more to do with nursing home and aged care issues than with acute issues.

Hon KATE DOUST: Dot point one on page 1248 of the *Budget Statements* focuses on the misuse of volatile substances. What are the factors that contribute to the misuse of volatile substances in remote communities, and what strategies does the Department of Health intend to employ to combat this problem?

Hon LJILJANNA RAVLICH: There is an allocation of $1.5 million over four years for community health initiatives for Aboriginal people. The issue of the misuse of volatile substances, whether it be in remote or less remote communities, is a major challenge confronting the general community. However, in the more remote communities the problems of petrol sniffing and alcohol abuse are somewhat more severe. It is interesting to note that the Aboriginal population makes up three per cent of the State's population, and in the area of community development it makes up 30 per cent of the client base. With regards to health, it is probably somewhere around that mark also. The challenge for a Government is to ensure that there is a reduction in the misuse of volatile substances in communities generally, but more specifically in those remote communities. Also, $105 000 has been allocated to drug and alcohol counselling in Carnarvon. We made an election commitment of $420 000 over a four-year period specifically for Carnarvon, but members can go through the election commitments and find that programs have been allocated money specifically to combat the misuse of volatile substances in remote communities and for allied uses.

Mr KIRWAN: This is a particular problem in the remote rural communities, as there is a lot of petrol and glue sniffing and other alcohol and substance abuse. Through the Office of Aboriginal Health we have been quite active in funding Aboriginal community control organisations so that they may achieve self-determination and

establish a code within their communities with regard to how they address that matter. We are providing specific, tailored programs with the Aboriginal communities through the use of Aboriginal health workers and the local communities. If anyone has visited these communities - or seen some of the programs, particularly on the ABC - they will know that this matter is a problem, particularly for the youth of those areas, and it is one of which we are aware. We have to take a systematic approach to this problem and not "do it" to them, but work through the Aboriginal community control organisations. It is one of the areas we fund significantly through various substance abuse programs through the non-government organisation sector, the Aboriginal medical services sector and others.

Hon SIMON O'BRIEN: For the sake of time I am more than happy if this question is taken on notice. I refer to page 1239 of the *Budget Statements* and reference there to major policy decisions since the state election. There is an allocation of $1.5 million over four years for community-based health initiatives for Aboriginal people. Does this allocation in whole, or in part, take up the recent recommendations of the former Standing Committee on Estimates and Financial Operations, which reported on three matters related to Aboriginal health in the Kimberley at the end of 2000?

Hon LJILJANNA RAVLICH: I will take that question on notice.

Hon ADELE FARINA: On page 1239 I note that $8 million has been allocated over the next four years for a health improvement program. Can the parliamentary secretary please elaborate on the program?

Mr STEPHENSON: The health improvement program focuses on a number of population-based strategies related to health improvement. These programs are in the process of development and cover areas such as revitalising the Quit campaign, increasing the Eat Well WA campaign, addressing the issue of alcohol intoxication amongst young people, increasing immunisation amongst adolescents of particularly hepatitis B, considering the issue of teenagers and analgesics and increasing the awareness of harm associated with the abuse of analgesics, considering sexual health, and reviewing the population health goals and targets.

Hon LJILJANNA RAVLICH: There was also an $8 million allocation to that specific program over the forward estimate period, and $1.5 million has been allocated for the 2001-02 budgetary period.

Hon BARRY HOUSE: Page 1264 of the *Budget Statements* lists new works, and I am interested in two hospitals within the South West Region. The Albany Regional Hospital and the Margaret River Hospital are earmarked for some works. Can the parliamentary secretary give us brief details of what is involved for both of those hospitals and does the Albany Regional Hospital upgrade have anything to do with the new Albany hospice?

Mr BUCKLEY: The Albany hospital project is not involved with the hospice. It deals with the paediatric ward and is not an upgrade but a total replacement that relies on $400 000 of Variety Club donations and appears on page 1265 under the 2002-03 estimates. The hospice project is separately funded. The service planning for the Margaret River Hospital has now been completed and we are about to appoint consultants to proceed with the architectural design.

The CHAIRMAN: Did Hon Barry House mention Denmark as well?

Hon BARRY HOUSE: No, I just wanted to know what the upgrade entails.

The CHAIRMAN: That question can be taken on notice and the information will be provided.

[3.30 pm]

Hon GIZ WATSON: It might be more appropriate to take this question on notice because it is in four parts.

The CHAIRMAN: The member should read out the question so that we can take it on notice.

Hon GIZ WATSON: In recent times the Department of Health of Western Australia has provided funding to the gay and lesbian community services. Will the funding continue in this budget; if so, under what budget item; if so, what amount is to be funded; and if there is no allocation, why not?

Mr KIRWAN: My understanding is that we will continue funding at last year's activity level, and this one will be funded from the sexual health program. If it is any different we will get back to the member via the parliamentary secretary.

Hon DERRICK TOMLINSON: I note in the answer to my question on notice about the Aboriginal health service that there is a provision at the Derbarl Yerrigan health service for a health promotion service special program, for an amount of $526 419. I understand that that sum of money was to meet the salary and wages

commitment at Derbarl Yerrigan from January to June this year, because Derbarl Yerrigan was technically insolvent. Is the Government continuing to pay the salaries and wages of this non-government health service?

Hon LJILJANNA RAVLICH: I will refer that question to Mr Colin Xanthis.

Mr XANTHIS: No, at this stage the Government is not supporting the Derbarl Yerrigan health service in any additional funding.

Hon E.R.J. DERMER: I refer to page 1264 of the *Budget Statements,* and the new works listed under the capital works program. I particularly refer to the hospital equipment and maintenance section statewide, with a $20 million total cost estimate and a $9.5 million estimate for 2001-02. I am interested in the backlog that I believe currently exists and the current progress of this program, certainly in respect of the urgent need to meet the backlog and the need to renew equipment.

Hon LJILJANNA RAVLICH: We had a similar question earlier about capital expenditure. That information in relation to some of the major capital works is provided on page 126 of budget paper No 3. I will ask somebody to comment on the backlog. An allocation of $21 million over the forward estimates period has been made for the Royal Perth Hospital relocation of the outpatient facility and the construction of a 55-bed trauma ward. This year there is a budget allocation of $800 000 for that item. There is an allocation of $2.5 million over the forward estimates period and $1.5 million for 2001-02 for the refurbishment of wards, development of a new 30-bed ward and the construction of a new surgery at the Fremantle Hospital. There is a general allocation of $20 million over the forward estimates period for the improvement in the hospital's operating capabilities, which includes both facilities and equipment. That allocation of $20 million over the forward estimates period for this year's budget translates into $9.5 million for 2001-02.

Mr BUCKLEY: Under the list of works in progress on page 1263 of the *Budget Statements* are statewide condition audits, stages 1 and 2. Some of the backlog issues are addressed there. Slightly more than $19 million cashflow has been allocated this financial year to address other maintenance and backlog issues.

Hon M.J. CRIDDLE: Mr Chairman, I have a number of questions. May I put them on notice?

The CHAIRMAN: Yes. I will accept those questions on notice now. Any written questions that are handed to me prior to 3.45 pm will go on notice also. If they are not here by 3.45 pm, they will not go on notice. I will take those questions from Hon Murray Criddle on notice.

Hon CHRISTINE SHARP: I refer again to the drug policy. Given that the parliamentary secretary is not able to provide any specific answers in anticipation of the Government's announcement, which presumably will be made later this week, can she say whether we are likely to see a revision upwards from the current budget and appropriations? On the other hand, is the implication that those recommendations will pertain to the 2001-02 budget?

Hon LJILJANNA RAVLICH: My understanding is that that will be a government decision dealt with by Cabinet. I assume that if it requires new money, it will be provided. However, that is my view, not an official government view.

The CHAIRMAN: Will the parliamentary secretary take that on notice and provide clarification?

Hon LJILJANNA RAVLICH: I will.

Hon ROBIN CHAPPLE: I refer to the provision of health services to regional areas, and particularly the number of general practitioners operating in regional centres. What incentive packages are offered to attract qualified general practitioners to regional centres? Does the department consider those incentives adequate given the recent grave shortages of GPs in regional centres, in particular in Port Hedland and Kalgoorlie?

Professor STOKES: The issue of regional and rural general practitioner numbers is very significant. Most of the attraction and retention policies are funded by the Commonwealth Government. The State Government is limited to providing assistance with medical indemnity insurance and encouraging practitioners to become involved in the quality programs conducted in our hospitals. It is a difficult issue and we must develop more programs to attract practitioners to rural and regional areas. We have investigated attracting practitioners to work in the hospital service in Port Hedland. We have four private general practitioners in Port Hedland; the remainder are employed in the public sector. I do not believe that we as a State are doing sufficient to attract general practitioners to rural and regional areas.

Hon M.J. CRIDDLE: The remarks made earlier about regional areas concern me. I want some confirmation about the position of country hospital boards. Will they continue to operate during this term of government?

Hon LJILJANNA RAVLICH: The Health Administration Review Committee report recommended that the boards be reviewed.

Professor STOKES: Mrs O'Farrell mentioned the review of rural administrative arrangements under the HARC program. That will include extensive consultation about what rural people expect of the boards, how they should function and so on. Of course, no decision has been made. That process might result in greater regionalisation of boards rather than smaller individual boards. That is mere speculation at this stage.

Hon LJILJANNA RAVLICH: Some regional boards comprise local people who have a particular interest in the area. There is probably scope to reconfigure boards to ensure that they have appropriate expertise and so that they do not become simply a rubber-stamping mechanism for the hospital chief executive officer or administrator. I am not saying that they are all like that. I do not know whether boards scrutinise the financial details of hospitals to the extent that they perhaps should. I do not know whether boards have the level of involvement that one might expect them to have. It varies from region to region, but improvements can be made in that area.

The CHAIRMAN: That draws to an end questions in respect of division 71. I thank the parliamentary secretary, the acting Commissioner of Health and the professional officers for their attendance today.

Sitting suspended from 3.40 to 3.50 pm