

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

Department of Health

The Committee asked:

Agency Expenditure Review program

- 1.1) How will the savings measures identified in the Budget be achieved by your agency?
- 1.2) What are the risk to achieving the savings identified?
- 1.3) Are there any low priority programs your agency is ceasing or reducing? If so, please provide details.

Answer (for 1.1 to 1.3):

As part of the 2016-17 Budget, the Government announced a third tranche of Agency Expenditure Reviews (AERs) to apply to 54 agencies and deliver savings commencing in 2017-18. The objective of AERs is to ensure that, as circumstances change over time, the programs delivered by agencies remain a Government priority and continue to be delivered in an efficient and effective manner. Total savings have been allocated to WA Health in 2017-18, 2018-19 and 2019-20 for the AER-Reallocation of Non-Hospital Expenditure and are shown at p.318 of the 2016-17 Budget Paper No.2, Vol.1; with the intention for savings to be directed into Hospital Services Expenditure. Agency measures to achieve allocated savings will be developed for consideration in the 2017-18 Budget process.

National partnership agreements

- 1.4) Please provide a list of:
 - all national partnership agreements under which your agency receives funding
 - the expiry dates of those agreements
 - how much was received in 2015-16 under the agreements and the budgeted amount for 2016-17
- 1.5) Please provide details of the value of the impact on your agency's budget resulting from the expiry of those agreements.
- 1.6) Will the State be making up the loss in funding resulting from the expiry of agreements?
- 1.7) If so, how and, if not, please provide details of any cuts that will need to be made and the implications for service delivery by your agency.

Answer (for 1.4 to 1.7):

Please refer to Budget Paper 3, Chapter 4 'General Government Revenue' (pp. 81-88) and Appendix 13 (p. 311). Appendix 13 provides a summary list of all National Partnership Agreements (NPAs) and includes funding figures and expiry dates.

As noted in Appendix 13, the NPAs are time limited and it is assumed in the Budget that there is no continued funding (Commonwealth or State) past an NPA's expiry date and that any additional or enhanced services generated by the NP will cease (unless otherwise identified by footnote (c)).

Commonwealth grants

- 1.8) Please provide the same information requested for national partnership agreements above for any commonwealth grants received by your agency

Answer:

Please refer to Budget Paper 3, Chapter 4 'General Government Revenue' (pp. 87-88) and Appendix 2 'General Government Operating Revenue' (p. 235) for details of all Commonwealth grants to the State. General revenue grants and National Specific Purpose Payments are intended to be ongoing.

10 year Strategic Asset Investment Plans

- 1.9) Please provide a copy of your 10 year Strategic Asset Investment Plan.

Answer:

Strategic Asset Plans (SAPs) are prepared for Treasury as part of the Budget process to inform decision making by the Economic and Expenditure Reform Committee and Cabinet. Disclosure of these plans would reveal the deliberations and decisions of both bodies and are therefore considered Cabinet-in-Confidence. Until such time as specific programs within a SAP have been considered and approved to proceed they remain indicative. Additionally and understandably 10 year SAPs are subject to a wide variety of exigencies including but not limited to priorities of the government of the day; changes in circumstances; changes in technologies and external events.

Infrastructure requirements

- 1.10) What are your agency's infrastructure requirements for the next 10 years?

Specifically:

- What infrastructure needs to be replaced, upgraded or built to meet demand?
- What allocation has been made in the Budget for the planning and delivery of these requirements? Is the allocation in capital works?
- In what timeframe will the requirements be delivered?

Answer:

Please see Answer to 1.9. Funded infrastructure programs are detailed for WA Health in the Asset Investment Program section of the WA Health budget at p.336 of 2016-17 Budget Paper No.2, Vol.1. These programs currently cover the period 2016-17 to 2019-20. Any infrastructure requirements outside this period are subject to further budget deliberations and remain Cabinet-in-Confidence.

Sale of vehicles

NOTE: In respect of questions 1.11 to 1.15:

WA Health owns a small number of special needs vehicles including ambulances and patient transfer vehicles. The majority of WA Health vehicles are leased.

- 1.11) How many vehicles does your agency expect to sell in the 2015-16 financial year?

Answer:

Three patient transfer vehicles will be sold.

- 1.12) How many vehicles does your agency expect to sell in the 2016-17 financial year?

Answer:

Two ambulances owned and operated by WA Health in the Kimberley region are due to be sold.

- 1.13) What is the estimated total proceeds from the sales in each of the above financial years and how will those funds be allocated?

Answer:

2015-16: \$32,000 in total

- The funds will be used to replace the patient transfer vehicles.

2016-17: \$10,000 in total

- The funds will be used to replace the two ambulances.

- 1.14) Will any of the sales in 2016-17 be part of the Agency Expenditure Review program and, if yes, how many?

Answer:

It is not expected any owned vehicles will form part of the Agency Expenditure Review program.

- 1.15) What will be the impact on agency staff (i.e. what alternative arrangements have been made for their transport)? What will be the cost of any alternative transport arrangements compared to the cost of retaining the vehicles?

Answer:

There is not expected to be any impact on staff as the vast majority of staff use the leased vehicles.

Full time/contract staff

- 1.16) What is the estimated total number of FTE staff in your agency for the 2015-16 and 2016-17 financial years?

Answer:

The WA Health 2015-16 Estimated Actual FTE is 36,531. The WA Health 2016-17 Budget Estimate FTE is 36,868. (2016-17 Budget Paper No.2, Budget Statements Volume 1, page 340).

- 1.17) In each financial year, what proportion of your staff are engaged in:

- A contract of service (permanent staff)?
- A contract for services (contracted staff)?

Answer:

The FTE as per the Budget Papers (both 2015-16 and 2016-17) is a consolidated view including both permanent and contracted staff. This figure does not disaggregate or separately identify permanent or contract staff.

- 1.18) Of those staff that are engaged by a contract for services, please explain why they are not engaged as permanent staff.

Answer:

A portion of WA Health's annual expenditure budget is funded from 'fixed' term Specific Purpose sources. For example some Commonwealth funded programs have a term subject to a set agreement. Staff resources that are used to deliver these programs are engaged on a fixed term basis to match the finite term of the funding for the program.

WA Health may utilise agency medical staff (i.e. nurses) during:

- Peak activity months (i.e. Winter) to meet high activity demand.
- Holiday periods to maintain operations where permanent staff are on leave.

The above are examples where contract staff are utilised. This response is applicable to 2015-16 and 2016-17 financial years.

- 1.19) What is the cost to the agency of engaging contracted staff, including contract preparation, negotiation, payroll modifications, (i.e. where the contracts are renewed for staff on 6 month contracts) and cost of HR staff who manage the contracts?

Answer:

Data is not captured at this level of detail in WA Health's financial systems.

- 1.20) Are staff employed as contractors paid at a different rate to those who are permanent employees in a similar role and, if so, please provide details and explain why.

Answer:

Yes. WA Health is paying contract staff through the agencies, in particular through the Common Use Agreement CUATPS2014 (Temporary Personnel Services).

Media Monitoring

- 1.21) How much does your agency spend on media monitoring, for example, newspaper clippings?

Answer:

For both media monitoring and media statement distribution:

2014/15 Actual: \$20,957.32

2015/16 Estimated Actual: \$12,000

2016/17 Budget Estimate: \$12,500

- 1.22) Who provides this service to your agency?

Answer:

AAP Medianet provides media distribution services and iSentia Media Pty Ltd provides media monitoring services.

- 1.23) What types of media monitoring services are provided to your agency? Please provide details.

Answer:

iSentia provides the Department of Health with a daily digital delivery of a range of health-related media clippings from nominated local, state and national daily newspapers.

A telephone alert service is also provided, notifying designated media staff of imminent relevant live broadcast interviews and news, educational or current affairs programs.

Radio and television summaries are received via the Government Media Office. WA Health is also self-monitoring via digital platforms.

- 1.24) On what basis is the service provided, i.e. ongoing contract or on a fee for service basis?

Answer:

Ongoing contracts which are reviewed and continued if deemed required; through appropriate procurement practices.