



HSS health
support
services



Health Support Services

Annual Report 2018-2019



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Contents

Statement of compliance	2	Pricing policy	42
Overview of agency	3	Capital works	43
Executive summary	4	Employee profile	44
Performance highlights	9	Industrial relations	45
Organisational structure	14	Disability access	45
Executive team	16	Expenditure on advertising	45
HSS roles and responsibilities	22	Compliance with public sector standards and ethical codes	46
Performance management framework	26	Recordkeeping plans	46
Shared responsibilities with other agencies	26	Freedom of Information	46
		Employee development	47
Agency performance	27	Workers' compensation	48
Certification of key performance indicators	27	Occupational, safety, health and injury management	49
Summary of key performance indicators	28	Substantive equality	49
Summary of financial performance	36	Annual estimates 2019-20	50
Significant issues	37	Financial statements	53
Current and emerging issues and trends	38	Independent Auditor's Report	54
Changes in written law	39	Certification of financial statements	56
		Statement of comprehensive income	57
Disclosure and compliance	40	Statement of financial position	58
Ministerial directives	41	Statement of changes in equity	59
Pecuniary interests	41	Statement of cash flows	60
Unauthorised use of purchasing card	41	Notes to the financial statements	61
Boards and committee remuneration	42		

Statement of compliance

Hon Roger H COOK

**Deputy Premier; Minister for Health, Mental Health;
BA GradDipBus MBA MLA**

Deputy Premier

In accordance with section 61 of the *Financial Management Act 2006 (WA)*, I hereby submit for your information and presentation to Parliament, the Annual Report of Health Support Services for the financial year ended 30 June 2019.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006 (WA)*.



Robert Toms
Chief Executive
Health Support Services
Accountable Authority

17 September 2019

Overview of agency





Robert Toms
Chief Executive

Executive summary

On behalf of the Executive and staff of Health Support Services (HSS), I am proud to present the 2018-19 HSS Annual Report.

The HSS journey continued this financial year and we have made good progress with several significant milestones achieved across the organisation.

One of the most significant was the development and launch of our new Business Plan for 2019-21.

Business Plan

Our work on the Business Plan commenced in late 2018. We conducted extensive scans of our internal and external environments and sought feedback from our customers across the WA health system. From the outset, our challenge was to design a plan that balanced our existing commitments to our customers with the need to transform our business.

I am proud that we have been able to achieve both these aims and now have a simple and clear strategy that guides how we function as an organisation. Having this business plan in place gives us a clear roadmap to become a modern and contemporary shared service provider for the WA health system.

As part of this process, we defined a new purpose statement: “We support our customers to provide excellent health care”. This serves as a foundational anchor to ensure everything we do helps our customers to achieve their goals.

Our values of:

- Think customer first
- We promise, we own, we do
- We will find a way
- We make a difference together

then guide how our work gets done every day.

Supporting our purpose, and aligned with our values, are three core objectives: the provision of simple, reliable and responsive services. These represent our focus on simplifying the customer experience, consistently delivering high quality services and responding to our customers’ needs and expectations.



Our new Business Plan also articulates the following themes that we will deliver across 2019-21:

- Completing the implementation of our new Operating Model to create stability for our people.
- Focusing on driving better business performance for our customers through our Transform2021 program.
- Improving customer experience through enhanced customer service skills and training, systems and processes.
- Building our culture and capability to support our people in achieving our organisation's objectives.



Operating Model

In the past year, implementation of our new Operating Model remained a priority. We continued to redesign our organisational structure to ensure we are organised in a way that meets customer needs and drives business efficiency and effectiveness. As part of this, two new business areas – Transformation and Strategy and Customer Experience – became fully functional and we also completed the design and implementation of all Tier 3 and Tier 4 (Director and Manager) structures across the organisation.

With our strong emphasis on customer satisfaction, I am pleased the new Customer Experience team has already achieved many positive results. These include coordinating quarterly surveys to determine our Customer Satisfaction (CSAT) score which is our overall key performance indicator. By working closely with our business units and service delivery teams to understand their customer satisfaction results and feedback, the Customer Experience team has helped to drive improvements which have led to a significant increase in our CSAT score in 2018-19.

Culture and capability

A key enabler of becoming a contemporary shared service provider is an engaged, resilient and highly capable workforce. HSS strives to achieve this through the adoption of a 'Think Customer First' culture. Regular six-monthly

staff surveys have been conducted to evaluate culture within the organisation and in January 2019 our annual HSS Excellence Awards were launched. These awards formally recognise employees who go above and beyond to improve our customers' experience, while also demonstrating our values.

In line with our commitment to improving the capabilities of our people, we launched a new Strategic Workforce Plan for 2019-22. This Plan focuses on attracting, training and retaining a diverse and high performing workforce. By building on our foundations, embedding a great people experience and then sustaining a high performing organisation, our aim is to become an employer of choice by 2022.

Transform2021

To strengthen business performance, we also commenced our business transformation program known as Transform2021. Transform2021 consists of 35 improvement initiatives spanning all HSS Business Units that will be delivered over the next three years. We made great progress with a number of these initiatives in 2018-19 including the development and implementation of a new costing and pricing model for HSS services, significant improvements to the HSS Service Level Agreement and completed a number of speed sourcing processes for the purchase of high priority clinical items.

Overview of agency



Operational achievements

While undertaking key activities to transform our business has been a focus this year, we have also delivered excellent operational results. We have continued to deliver on major Information Communication Technology (ICT) programs,

including the Medical Imaging Replacement Program (MIRP). MIRP incorporates the Picture Archive and Communication System (PACS) which stores medical images such as x-rays, CT scans and MRIs, and the Radiology Information System (RIS). Together, PACS/RIS is critical to the successful delivery of health services as it ensures diagnostic information and imaging is accessible to hospital-wide clinical teams throughout a patient's episode of care. The procurement process for the new system made great progress this year, with work commencing in early 2019-2020 on implementation planning.

Additionally, we have made substantial progress on another major ICT reform program led by HSS; HealthNext. This program aims to move the WA health system's ICT infrastructure to a more cost-effective hybrid-cloud environment to better support the delivery of healthcare. Aligned to the WA Office of Digital Government digital reform program, HealthNext has already achieved significant milestones with new community cloud and internet gateway services now operational.

HSS also achieved success in a number of our operational areas. These include the introduction of system-wide digital information security initiatives to improve cyber security, the launch of a self-service portal to enable WA health system employees to securely and conveniently

change their password online and the successful decentralisation of the Accounts Receivable function from HSS to Health Service Providers on 1 March 2019.

A lot has been achieved this year and I would like to take this opportunity to thank all of our customers for their ongoing support as we move through the transformation of our organisation. Working in the WA health system is a privilege, and we are proud to deliver services that enable our customers to provide excellent healthcare.

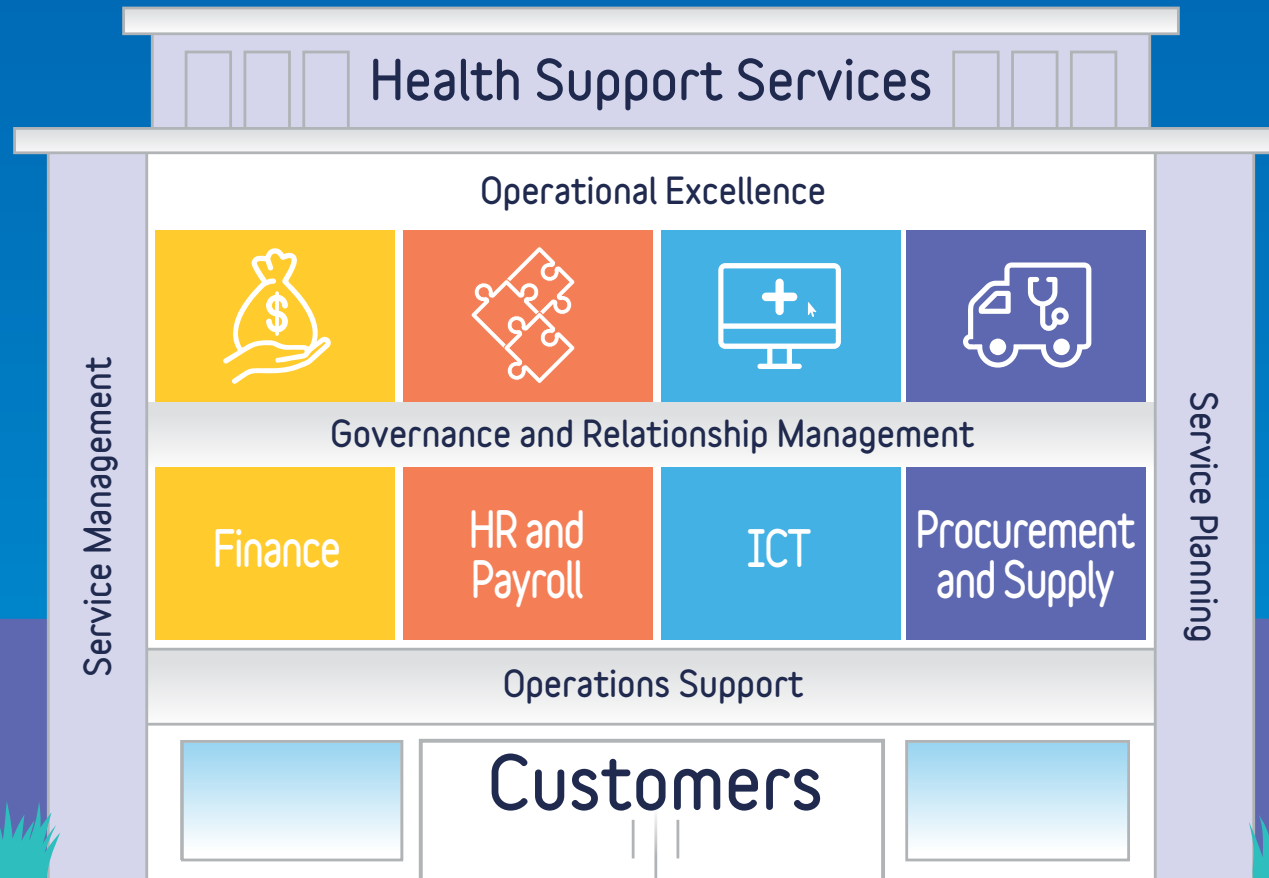
I would also like to recognise all of our dedicated and hardworking people. Our staff demonstrate enthusiasm and commitment every day and deliver their work in line with our values. I look forward to continuing our exciting transformation journey with you.

Robert Toms
Chief Executive

Our Business Plan for 2019-21



Our Operating Model



We make a difference together

We will find a way

We promise, we own, we do

Think customer first

We support our customers to provide excellent health care

Performance highlights

In 2018-19, HSS achieved a number of significant outcomes that helped us to deliver simple, reliable and responsive services to our customers.

Voice of our customers

With its ongoing commitment to customers, HSS established a Voice of the Customer program this year. A Customer Satisfaction metric has been developed to measure how satisfied customers are with HSS' services, which is used in conjunction with the Customer Effort Score to determine how easy it is for customers to deal with HSS. These measures provide valuable customer insights which will drive continuous improvement across the organisation to ensure HSS provides services that are responsive to our customers' needs.

Online payslips

In 2018-19, HSS successfully launched a new online payslip portal to enable staff working at the East Metropolitan Health Service (EMHS) to easily and securely access their current and historic payslips. In response to customers wanting access to an online solution instead of printed hardcopy payslips, our ICT, Workforce and Organisational Development and Transformation teams worked together to develop a solution. The portal is now being implemented across the remainder of the WA health system.

Improving medical payroll

HSS introduced a new two-way SMS solution to reduce unnecessary delays and errors in processing termination payments for 'Doctors in Training' across the WA health system. This new system allows doctors whose contracts are coming to an end to quickly and easily confirm if they will remain employed by or be leaving the WA public health system. The solution enables HSS to accurately calculate and pay leave entitlements to 'Doctors in Training' by the next pay day, and reduces the time taken to process termination payments.

Contact Centre

An integral part of HSS' commitment to provide simple, reliable and responsive services to our customers is the development of a new Contact Centre. Each year, HSS handles more than 900,000 customer calls and more than 1 million customer emails/forms via 146 official channels (e-mail, phone or fax). This has made it difficult for customers to understand how to contact HSS to resolve their query and an inconsistency in the service they receive.



Significant progress has been made to establish a dedicated HSS Contact Centre. Launching early 2019-20, the Contact Centre will initially handle all payroll and employee services calls and streamline the way customers contact HSS for assistance through one primary number – enabling their enquiries to be resolved efficiently and effectively.

Overview of agency

New Service Level Agreements

As part of Transform2021, HSS completed a significant review of its service planning and management framework. This included refining our Service Level Agreements (SLAs) and key performance indicators (KPIs). Working closely with our customers, more than 21 different services and 130 cost drivers were reviewed which helped shape and develop the new KPIs.

The new SLAs clearly articulate the services HSS will provide in line with customer expectations, incorporating a new pricing model and clearer KPIs. These Agreements will enable better management of our services and more meaningful performance reporting to our customers. The SLAs will also facilitate a spirit of partnership and co-operation between HSS and customers resulting in positive outcomes for the WA health system.

Improving procurement and supply practices

In 2018-19, HSS enhanced its analysis and modelling capabilities to gain in-depth understanding of the value of spend as well as contract and purchasing practices to inform the prioritisation of future procurement projects. This included the establishment of system-wide self-service dashboards providing customers a range of procurement related insights including supplier performance, spend analysis, purchasing and contract expiry.

Other procurement and supply highlights in 2018-19 included:

- Procurement and contract management of whole-of-health contracts yielding \$11 million (annualised) in price reductions.
- The completion of a review into high-use essential items and clinical products located at hospitals (Imprest) and stocked at the HSS State Distribution Centre, resulting in a saving of more than \$1 million for the WA health system.
- The implementation of new purchase order terms and conditions for all non-contracted goods and services (including items under \$20,000) to improve clarity for suppliers and to protect the WA health system.
- Communication of the WA Health Supplier Code of Conduct to more than 8,500 active suppliers.
- The delivery of procurement and contract management training packages to more than 1,340 WA health system employees and improving access to procurement and purchasing information guides and videos.

Providing a single patient information system

In October 2018, HSS completed the roll-out of a single patient administration system, WebPAS, across the state. WebPAS enables WA public hospitals and health services to access a single source of truth for all patient activity.

Every public patient in Western Australia will now have a unique patient identifier regardless of where they receive care in WA's public health system, and information associated with their healthcare history will be available through linked clinical applications.



Having one patient admission systems enables health professionals and administrators to improve the management of patient flow and information, which will enhance the patient's healthcare journey between hospitals and ensure safer care.

Enhancing digital security

To address the rising risk of cyber-security incidents across the globe, HSS implemented the first phase of a new Digital Information Security (DIS) program across the WA health system to enhance data security. This included the introduction of stronger password security, two-factor authentication, advanced threat analytics and cybersecurity training for all employees. A new Digital Security and Risk Management team was also established this year. The second phase of the DIS program will commence in 2019-20 to build on initiatives from the first phase and introduce further sustainable solutions for digital security.

My Health Record integration

HSS successfully configured six core clinical applications to enable clinicians across the WA health system to access the Australian My Health Record (MHR) system – a personally-controlled online summary of a consumer's health information.

Through this integration, patient discharge summaries, pathology and medical imaging

reports are now automatically uploaded to the MHR system. More than one million patient records have been uploaded and My Health Records are already accessed by clinicians more than 2,500 times a week. WA was the first jurisdiction to achieve this result on time and on budget.

Further Commonwealth funding has been awarded to the WA health system in 2019-20 to lead a range of My Health Record related projects and HSS looks forward to working with our colleagues across the country on this initiative.

Improving medical account payments

After an extensive design and implementation process, HSS delivered a new Medical Account Assessment System (MAAS). MAAS is used to verify and process invoices for contracted medical practitioners (CMPs) who have a fee-for-service arrangement with the WA health system.

The new MAAS, which replaces a previous system hosted by Medicare, is a secure and reliable platform to accurately process payments of CMP invoices in a timely manner. It also streamlines invoicing and payments under one managed system.

Award-winning nursing partnership

HSS' temporary nursing agency, NurseWest, was recognised in the Australian Awards for University

Teaching for a partnership initiative that offers registered nursing students real-world healthcare experience.

The collaboration between Edith Cowan University, North Metropolitan TAFE, Sir Charles Gairdner Hospital and NurseWest provides opportunities for students to undertake employment as an Assistant-In-Nursing while completing their registered nursing studies. The program has proved beneficial for both the students and the WA health system.

Major ICT infrastructure reform

Leading the general ICT reform, HealthNext, was an operational priority for HSS in 2018-19. This program will transform the WA health system's ICT infrastructure to become a scalable, cost-effective hybrid-cloud environment and will enable HSS to respond to innovation and support a more patient-centric health system. The program aligns with the State Government's ICT Strategy to reduce ICT infrastructure duplication and costs, improve communication and maximise value.

HealthNext's new community cloud and internet gateway services are now operational. Work will progress with our customers over the next two years to safely migrate more than 2,000 clinical and corporate applications to the new environment and upgrade the existing Wide Area Network (WAN) connecting all WA health system sites.

Performance highlights

Some of the ways HSS has supported the WA health system in 2018-19

Paid
45,000+

WA health system employees every fortnight



Managed
143
contracts worth a total
\$2.7 billion

Processed
435,000
iProcurement requisitions



Resolved
190,000
requests for ICT assistance

Supported
26,000
computing devices for customers



NurseWest temporarily filled

79,500
metropolitan nursing shifts

2,083
regional assignments

46,600
Assistant-in-nursing shifts



Advertised
7,000
external
recruitment
positions

Completed
30,000
requests for
password
resets



Managed a
catalogue of
84,000
product lines



Processed
475,738
invoices for
payment



Supplied
1.3
million
inventory lines
to customers

Processed
26,000
employment
contract
variations



Organisational structure

HSS was established as a Chief Executive governed Health Service Provider under the *Health Services (Health Service Provider) Order 2016 (WA)* made by the Minister for Health under section 32 of the *Health Services Act 2016 (WA)*.

The HSS Chief Executive is responsible to the Minister for Health and to the Chief Executive Officer of the Department of Health.

Key legislation impacting on HSS activities

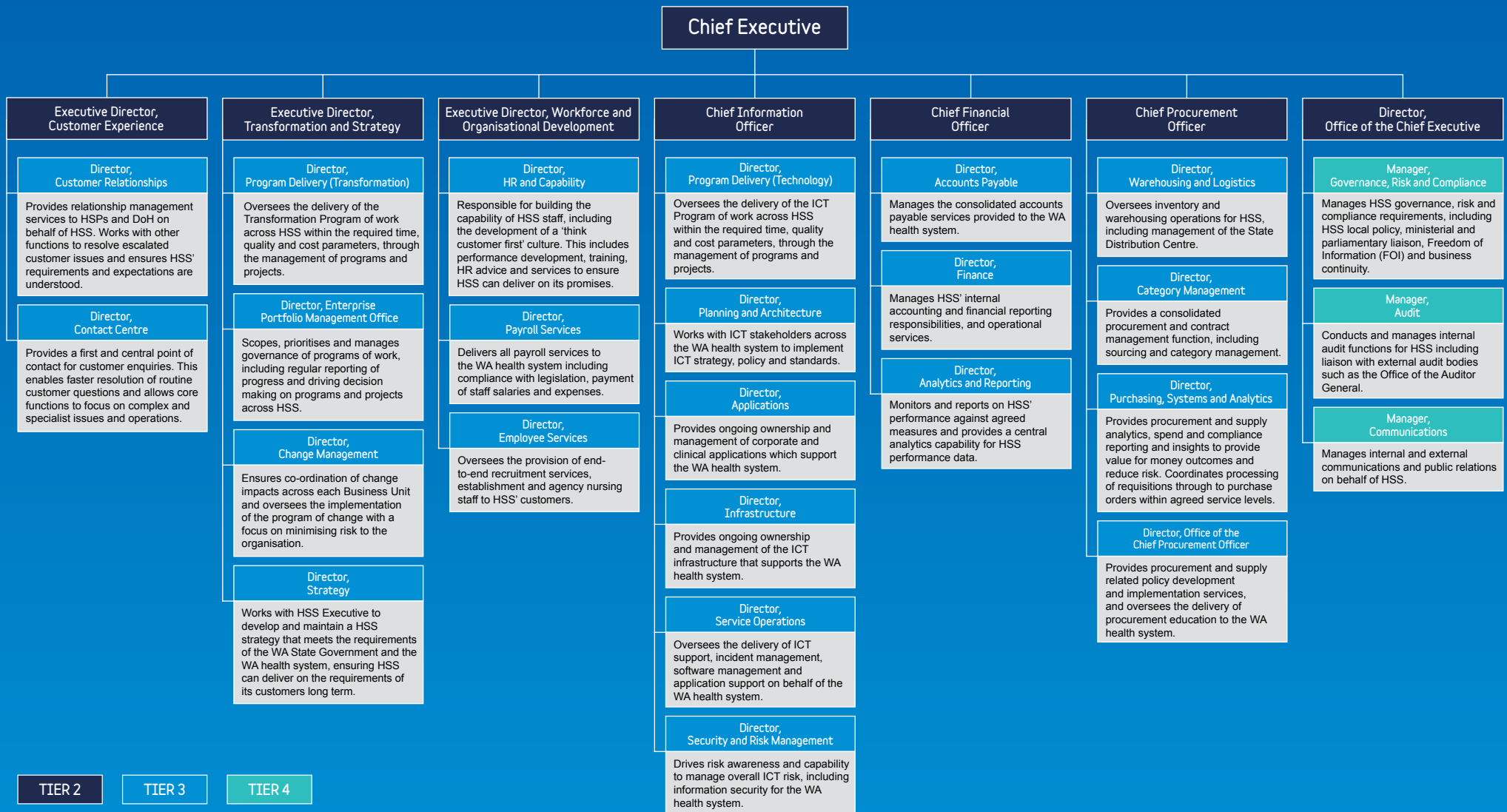
- *Auditor General Act 2006 (WA)*
- *Contaminated Sites Act 2003 (WA)*
- *Criminal Code Act Compilation Act 1913 (WA)*
- *Disability Services Act 1993 (WA)*
- *Electronic Transactions Act 2011 (WA)*
- *Equal Opportunity Act 1984 (WA)*
- *Evidence Act 1906 (WA)*
- *Financial Management Act 2006 (WA)*
- *Freedom of Information Act 1992 (WA)*
- *Health (Miscellaneous Provisions) Act 1911 (WA)*

- *Health Practitioner Regulation National Law (WA) Act 2010 (WA)*
- *Health Professionals (Special Events Exemption) Act 2000 (WA)*
- *Health Services Act 2016 (WA)*
- *Industrial Relations Act 1979 (WA)*
- *Minimum Conditions of Employment Act 1993 (WA)*
- *Occupational Safety and Health Act 1984 (WA)*
- *Public Health Act 2016 (WA)*
- *Public Sector Management Act 1994 (WA)*
- *Salaries and Allowances Act 1975 (WA)*
- *State Records Act 2000 (WA)*
- *State Supply Commission Act 1991 (WA)*
- *State Trading Concerns Act 1916 (WA)*
- *Workers' Compensation and Injury Management Act 1981 (WA)*

Administered legislation

Nil

HSS Organisation Structure





Executive team as at 30 June 2019



Robert Toms, Chief Executive

Robert has been Chief Executive of HSS for two years and is passionate about ensuring the organisation excels to meet the needs of our customers.

Throughout his career, Robert has successfully developed and led the implementation of corporate strategy and business transformation in various organisations to improve efficiency, customer outcomes, organisational performance and employee engagement.

Prior to joining HSS, Robert previously held several senior executive roles in the utilities, retail, mining and management consulting industries and has significant experience with ICT program delivery, procurement and supply chain optimisation.

"I strongly believe we can become a modern and contemporary shared services provider that is responsive to our customers' needs and we have the right plan in place to achieve this outcome."



Ralph Bates, Executive Director, Customer Experience

Ralph joined HSS in 2018 and through his extensive executive career has ensured the customer is put at the heart of the organisation's purpose.

His experience has led him to successfully develop and execute a number of enterprise customer strategies and lead customer-focused transformation.

In 2018 Ralph was focused on establishing the new Customer Experience business unit.

Ralph previously held senior positions in the utilities, banking and automobile industries as well as consultancy services.

"Our customers are at the heart of everything we do, and we are focussed on our objectives of making their experience with HSS simple, reliable and responsive."

Executive team as at 30 June 2019



Jonathan Smith, Executive Director, Transformation and Strategy

Jonathan has held two senior management roles since joining HSS in November 2017, and is currently leading significant transformational initiatives across HSS.

Jonathan has a proven track record in developing and delivering successful customer centric technology strategies, ICT operations and transformational change across a broad spectrum of sectors and business models.

He has previously led organisational and technology transformation in the banking, agriculture and energy industries which resulted in improved business performance and customer-focussed operating models.

“We have an opportunity to transform our customers’ experience and deliver value-for-money services that will benefit the WA health system now and into the future.”



Siobhán Mulvey, Executive Director, Workforce and Organisational Development

Siobhán joined HSS in May 2018 with a strong commitment to the development of an organisational culture that supports, encourages and rewards the achievement of business outcomes.

With more than 25 years’ experience as a senior executive in both the private and public sectors, Siobhán has successfully led the implementation of people strategies to improve culture and engagement.

Before joining HSS, Siobhán held senior management positions in the education, training and mining industries, and provided consultancy services to a number of sporting organisations.

“Aligning our culture with our operations will enable us to better support our customers to provide excellent health care.”



Holger Kaufmann, Chief Information Officer

Holger joined HSS in June 2018 with almost 20 years' experience in executive management roles, a strong commercial acumen and a proven track record in large and complex ICT environments.

Over the past 12 months Holger led a comprehensive reform of the HSS ICT business unit in line with the organisation's Transform2021 initiatives. This included initiating the system-wide ICT infrastructure reform program, HealthNext, and an ICT service operations reform that aims to turn HSS into the ICT service provider of choice for the WA health system.

Before joining HSS, Holger was Executive Director of the GovNext-ICT reform program where he was the driving force behind the digital transformation of the Western Australian public sector. He has previously held several executive management positions in IT software and consulting companies both locally and in Europe.

"Our aim is to improve the way we utilise and deliver ICT services so that we can respond better to innovation and support the provision of quality health care to the WA community."



Sash Tomson, Chief Financial Officer

Sash has been part of HSS since May 2018 and has provided leadership in strategic planning, compliance, efficiency and effectiveness of financial management services across the organisation. This included the development, implementation and monitoring of the costing and pricing model for the services HSS delivers to customers.

Sash is a management and finance professional with more than 20 years' experience as a senior executive having held executive finance positions in the not-for-profit, government and private sectors. He has a proven track record in financial management, corporate strategy and policy, evaluating the financial impact of new business initiatives, financial modelling, negotiating and overseeing commercial contracts.

"Demonstrating a strong commitment to meeting our financial and performance targets helps ensure our customers receive value-for-money services and the sustainability of our health system."

Executive team as at 30 June 2019



Mark Thompson, Chief Procurement Officer

Mark joined HSS in June 2018 and has been leading the modernisation and transformation of procurement and supply services to enhance compliance while achieving significant return on investment and cost savings across HSS and the WA health system.

Mark has more than 20 years' experience at a senior management level in the healthcare, utilities and telecommunications industries in the government, private and not-for-profit sectors. He has led numerous multi-disciplinary teams covering procurement, contract management, purchasing, supply chain, fleet, sales and bidding.

Prior to joining HSS, Mark managed a large warehousing and logistics function, and led one of Western Australia's largest and most complex fleets. He implemented a major procurement operating model, which included the development of a long-term sustainable supply chain strategy.

"Working together to improve procurement and purchasing practices will not only lead to efficiencies but protect the integrity and reputation of the WA health system."



Emily Pestell, Director, Office of the Chief Executive

Emily has been part of HSS since 2016 and has established the Office of the Chief Executive (OCE) as a standalone business unit responsible for Ministerial and Parliamentary Liaison, Governance, Risk, Compliance, Internal Audit, Communications and Executive Support.

Emily has broad business experience with oversight of strategic management issues, project management and governance. She has worked for the Western Australian State Government for the past seven years; initially at the Department of Finance before joining the WA health system in 2014.

Prior to her current role, Emily was a member of the Office of the Chief Procurement Officer and played a key part in the delivery of the Strategic Procurement Program for the WA health system, which won a WA Premier's Award and a WA Health Excellence Award, both in 2015.

"I believe our values underpin everything we do and truly reflect what we expect of each other every single day."

HSS Senior Officers

The HSS Executive structure displayed includes all officers who were members of the HSS Executive as at 30 June 2019.

Rita Halton occupied the position of Acting Director, Office of the Chief Executive from 1 July 2018 to 19 April 2019.



HSS roles and responsibilities



Customer Experience

The Customer Experience business unit is responsible for customer relationship management and customer experience across HSS and takes an enterprise view of service planning and management. The business unit was established as an outcome of the HSS operating model review. Its key objectives are to ensure HSS delivers services that are aligned to our customers changing needs. It also provides a clear escalation path for HSS' customers to engage with the organisation to resolve service issues.

Business functions within Customer Experience include Customer Relationships and the HSS Contact Centre. Customer Relationships provide relationship management services across the WA health system and is the key contact point for senior WA health system stakeholders. This function works closely with other HSS areas to resolve escalated customer issues and ensures

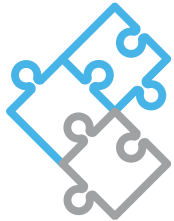
HSS' requirements and expectations are understood. As part of the HSS Transform2021 program, the Customer Experience business unit has also focussed on implementing a new HSS Contact Centre which will provide a more simple, responsive and reliable service for our customers.



Transformation and Strategy

The Transformation and Strategy business unit oversees HSS-wide strategy, as well as management, reporting and oversight of programs to transform HSS' business. This will lead to an improvement in customer experience and provide value for money for the WA health system. Transformation and Strategy works closely with the HSS Executive to develop and maintain the HSS strategy to ensure it meets the requirements of the WA health system.

This business unit is responsible for the delivery of the business transformation program, Transform2021, while its Enterprise Portfolio Management Office scopes, prioritises and manages program governance. Their Change Management function also takes carriage of the implementation of the change program with a focus on minimising risk to business as usual.



Workforce and Organisational Development

Workforce and Organisational Development is responsible for building the capability and capacity of HSS staff and the provision of payroll, recruitment, appointment and employee services across the WA health system.

The business unit works to boost the importance of people management across HSS and empower staff to make decisions. It also seeks to provide and increase support for leaders within HSS, as well as advocating for a customer-focused culture.

Workforce and Organisational Development consists of three functions.

- HR and Capability provides human resource consultancy services to HSS managers and employees, as well as strategic workforce planning and capability development. This Function also leads the implementation of the organisation's culture strategy.

- Payroll Services supports all HSS customers to ensure that more than 45,000 WA health system employees are paid accurately and on time in alignment with current Awards and Agreements each fortnight, while providing customer-focused payroll advice and assistance.
- Employee Services provides customer-focused end-to-end recruitment and appointment services and manages workforce and establishment data. This Function also includes NurseWest, who provide a state-wide centralised casual pool of nurses, midwives, enrolled nurses and assistants in nursing to fill temporary nursing shifts across both metropolitan and regional areas.



Finance and Operations

The HSS Finance and Operations business unit is responsible for maintaining a strategic focus on the provision of value for money services through timely processing of financial transactions for customers. This unit also manages HSS' internal finance and operations.

Finance and Operations consists of three business functions:

- Accounts Payable manages the consolidated accounts payable services across the WA health system.
- Finance manages HSS' internal accounting and financial reporting responsibilities as well as operational services.
- Analytics and Reporting monitors and reports on HSS' performance against agreed measures while providing a central analytics capability for HSS performance data.

HSS roles and responsibilities



Information and Communication Technology

The HSS Information and Communication Technology (ICT) business unit comprises six business functions, which together provide end-to-end ICT services for the WA health system. This includes ensuring 24-hour service provision and operational support for critical clinical and business systems, network and telephony services and other critical ICT assets. ICT also provides solution design and delivery, as well as network and system security.

- The ICT Planning and Architecture function supports the WA health system with the concept and design of new business capabilities and technology solutions. It acts as a facilitator for digital innovation and oversees the enterprise architecture of the system.
- The ICT Program Delivery function oversees and facilitates ICT solution delivery across the WA health system. It provides an independent

delivery assurance function and is currently tasked with delivering an ICT program portfolio of over \$150 million.

- ICT Service Operations provides digital workspace support and software access for more than 35,000 full-time users, as well as service desk, field support and technology service management process and performance management across HSS ICT.
- ICT Applications support more than 1,000 clinical and business applications used every day across the WA health system.
- ICT Infrastructure provides managed network and telephony support to approximately 460 sites across WA, as well as platform support for more than 2,000 servers with five petabytes of storage.
- ICT Security and Risk function is tasked with maintaining and improving cyber-security across the WA health system.



Procurement and Supply

The Procurement and Supply business unit is responsible for providing procurement and supply chain services across the WA health system. This includes clinical, medical equipment, ICT and other health related contracts. They leverage the buying power of the WA health system to achieve the best value for customers.

Procurement and Supply focuses on category management to drive value for money through procurement. The business unit delivers value through enhanced supplier relationships as well as increased customer responsiveness by reducing lead times for critical sourcing activities. The unit also aims to deliver rigorous stewardship and risk management to protect the WA health system through the integration of category relationships.



This business unit's functions include:

- procurement and category management, inventory, warehouse operations and distribution.
- providing analysis on spend and procurement intelligence to inform business decisions.
- providing advisory, education and implementation leadership for the WA health system's procurement policy and its governance.

Office of the Chief Executive

The Office of the Chief Executive (OCE) provides critical support functions for the HSS Chief Executive and Executive Team. The OCE is responsible for providing the tools and assurance required that ensures the organisation has a robust operating framework.

The HSS Governance, Risk and Compliance team has oversight of corporate risk and business continuity management, policy development and review, Freedom of Information, legal matters as well as compliance monitoring and reporting. Their work ensures all HSS staff have a clear understanding of the regulatory and policy frameworks that guide their decision making.

The HSS Audit team develops and conducts a comprehensive annual Internal Audit Plan and enables the independent testing of operational controls. By partnering with other HSS functions,

they are able to ensure process improvements are implemented in a timely manner.

The HSS Communications team provides internal and external communications services across HSS. By engaging with each HSS function, the team is a key enabler to ensure messages are disseminated to staff and customers in a timely and consistent manner. Public relations and media liaison also form part of their day-to-day role, ensuring HSS is able to provide prompt and appropriate responses.

Overview of agency

Performance management framework

To comply with its legislative obligation as a Statutory Authority, HSS operates under the Outcome Based Management (OBM) performance management framework determined by the Western Australian Department of Health (DoH).

This framework describes how outcomes, services and key performance indicators (KPIs) are used to measure agency performance towards achieving the relevant overarching whole-of-government goals.

This framework is underpinned by key principles of:

Transparency: Transparent reporting of performance against agreed outcome targets.

Accountability: Clearly defined roles and responsibilities to achieve agreed outcome targets.

Recognition: Acknowledgement of performance against agreed outcome targets.

Consistency: Consistent systems to support the achievement of agreed outcome targets.

Integration: Integrated systems and policies to support the achievement of agreed outcome targets.

DoH's 2018-19 KPIs measure the effectiveness and efficiency of HSS in achieving the outcomes of:

Outcome 3: Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system.

HSS' performance against these services and outcomes are summarised in the Summary of KPIs section (see page 28) and described in detail in the KPI section (see page 30).

Shared responsibilities with other agencies

HSS works closely with its customers to ensure it delivers simple, reliable and responsive services to enable them to provide excellent health care. HSS' customers include: the Department of Health, Health Service Providers, the Mental Health Commission, the Health and Disability Services Complaints Office and the Quadriplegic Centre.

HSS also provides some ICT services to the WA Department of Justice.



Agency performance

Certification of key performance indicators

Health Support Services

**Certification of key performance indicators for the year ended
30 June 2019**

I hereby certify the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Health Support Services and fairly represent the performance of the Authority for the financial year ended 30 June 2019.



Robert Toms
Chief Executive
Health Support Services
Accountable Authority

28 August 2019

Summary of key performance indicators

HSS' KPIs measure the efficiency and effectiveness of the services provided by HSS in order to achieve the desired outcome.

A summary of HSS KPIs from the 2018-19 period is provided. This should be read in conjunction with detailed information on each key performance indicator found in the key performance indicators section of this report.

Key Performance Indicators	Actual 2018-19	Target 2018-19
<i>Efficiency Indicators</i>		
Average cost of Accounts Payable services per transaction	\$6.65	\$8.00
Average cost of Accounts Receivable services per transactions	\$18.82	\$16.00
Average cost of Payroll and support services to Health Support Services clients	\$961.72	\$903.00
Average cost of Supply services by purchasing transaction	\$40.89	\$38.00
Average cost of providing ICT services to Health Support Services clients	\$4,381.94	\$4,494.00
<i>Effectiveness Indicators</i>		
Percentage of responses from WA Health Service Providers and Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services	75%	50.00%

Key performance indicators

To comply with its legislative obligation as a Statutory Authority, HSS operates under the Outcome Based Management (OBM) performance management framework. The WA health system's Outcome Based Management Policy Framework specifies the requirements HSS must comply with in order to ensure the integrity of the OBM Framework. This framework describes how outcomes, services and key performance indicators are used to measure HSS' performance towards achieving the relevant overarching whole of government goal.

Outcome 3 - Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system	Effectiveness KPI	Service 10 - Health Support Services	Percentage of responses from WA Health Service Providers and Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services
	Efficiency KPIs	Service 10 - Health Support Services	<ul style="list-style-type: none"> Average cost of Accounts Payable services per transaction Average cost of Accounts Receivable services per transaction Average cost of Payroll and support services to Health Support Services' clients Average cost of Supply services by purchasing transaction Average cost of providing ICT services to Health Support Services' clients

Average cost of Accounts Payable services per transaction

Rationale

HSS' role is to provide shared services function to its clients. This includes the functions of Accounts Payable, Accounts Receivable, Payroll services, Supply services and the management and delivery of the ICT network.

This KPI aligns to the role of HSS as a Health Service provider in ensuring 'the operations of the health service provider are carried out efficiently, effectively and economically'. This KPI captures the role of HSS in delivering transactional accounts payable finance services to its clients in an efficient manner.

2018-19 Budget Target

The target average cost of Accounts Payable services per transaction for HSS for the 2018-19 financial year was \$8.00.

Results

The average cost of Accounts Payable services per transaction for HSS for the 2018-2019 Financial Year is \$6.65, which is \$1.35 below target per transaction or 17%. Subsequent to targets being set, a cost centre restructure driven by the Operating Model implementation has resulted in costs being taken from the average cost of Accounts Payable per transaction for HSS to other KPI's. The main impact occurring in the average cost of Accounts Receivable services per transaction and average cost of Supply services by purchasing transaction.

Performance Measure	Result 2016-17 (\$)	Result 2017-18 (\$)	Result 2018-19 (\$)	Target 2018-19 (\$)
Average cost of Accounts Payable services per transaction	4.53	7.54	6.65	8.00

Data Sources: Oracle Financials, HR Data Warehouse, Health Support Services unpublished data.

Average cost of Accounts Receivable services per transaction

Rationale

HSS’ role is to provide shared services function to its clients. This includes the functions of Accounts Payable, Accounts Receivable, Payroll services, Supply services and the management and delivery of the ICT network.

This KPI aligns to the role of HSS as a Health Service provider in ensuring ‘the operations of the health service provider are carried out efficiently, effectively and economically’. This KPI captures the role of HSS in delivering transactional accounts receivable finance services to clients in an efficient manner.

2018-19 Budget Target

The target average cost of Accounts Receivable services per transaction for HSS for the 2018-19 financial year was \$16.00.

Results

The average cost of Accounts Receivable services per transaction for HSS for the 2018-2019 Financial Year is \$18.82, which exceeds target by \$2.82 per transaction or 18% over the target. On the 1st of March 2019 the Accounts Receivable function was devolved out to HSS’ customers. As a result, the service cost per transaction for this service is only for 8 months of the year.

Performance Measure	Result 2016-17 (\$)	Result 2017-18 (\$)	Result 2018-19 (\$)	Target 2018-19 (\$)
Average cost of Accounts Receivable services per transaction	29.98	15.76	18.82	16.00

Data Sources: Oracle Financials, HR Data Warehouse, Health Support Services unpublished data.

Average cost of Payroll and support services to HSS customers

Rationale

HSS' role is to provide shared services function to its clients. This includes the functions of Accounts Payable, Accounts Receivable, Payroll services, Supply services and the management and delivery of the ICT network.

As a WA Health shared services organisation, HSS performs a range of employment and payroll services on behalf of its clients. This indicator measures the efficiency of HSS to provide the continuum of 'hire to retire' workforce services to HSS clients.

2018-19 Budget Target

The target average cost of Payroll and support services per average FTE to HSS customers for the 2018-19 financial year was \$903.00.

Results

The average cost of Payroll and Support services to HSS clients for the 2018-2019 Financial Year is \$961.72, which is above target by \$58.72 per average FTE or 7% greater than target.

Performance Measure	Result 2016-17 (\$)	Result 2017-18 (\$)	Result 2018-19 (\$)	Target 2018-19 (\$)
Average cost of Payroll and support services to HSS' clients	1,092.86	992.40	961.72	903.00

Data Sources: Oracle Financials, HR Data Warehouse, HSS unpublished data.

Average cost of Supply services by purchasing transaction

Rationale

HSS' role is to provide shared services function to its clients. This includes the functions of Accounts Payable, Accounts Receivable, Payroll services, Supply services and the management and delivery of the ICT network.

HSS' role within WA Health is to seek to improve efficiencies in supply, procurement and contract management in order to support improved value for money for WA Health. This indicator measures the efficiency of HSS to provide supply chain services to its customers.

2018-19 Budget Target

The target average cost of Supply services per transaction to HSS for the 2018-19 financial year was \$38.00.

Results

The average cost of Supply services per transaction to HSS for the 2018-2019 Financial Year is \$40.89, which exceeds target by \$2.89 per transaction or 8% within target.

Performance Measure	Result 2016-17 (\$)	Result 2017-18 (\$)	Result 2018-19 (\$)	Target 2018-19 (\$)
Average cost of Supply services by purchasing transaction	50.17	38.24	40.89	38.00

Data Sources: Oracle Financials, HR Data Warehouse, Health Support Services unpublished data.

Average cost of providing ICT services to Health Support Services' customers

Rationale

HSS' role is to provide shared services function to its clients. This includes the functions of Accounts Payable, Accounts Receivable, Payroll services, Supply services and the management and delivery of the ICT network.

HSS role within WA Health is to seek to implement and maintain an updated computer operating environment, removing difficulties encountered by staff in using outdated operating and other systems. This indicator measures the ability of HSS to deliver ICT services to its customers in an efficient manner.

2018-19 Budget Target

The target average cost of providing ICT services to HSS clients for the 2018-2019 Financial Year was \$4,494.00.

Results

The average cost of providing ICT services to HSS clients for the 2018-2019 Financial Year is \$4,381.94, which is below target by \$112.06 or 2% percent of the target.

Performance Measure	Result 2016-17 (\$)	Result 2017-18 (\$)	Result 2018-19 (\$)	Target 2018-19 (\$)
Average cost of providing ICT services to HSS' clients	4,346.30	4,625.83	4,381.94	4,494.00

Data Sources: Oracle Financials, HR Data Warehouse, HSS unpublished data.

Percentage of responses from WA Health Service Providers and Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services

Rationale

HSS’ role is to provide shared services function to its clients. This includes the functions of Accounts Payable, Accounts Receivable, Payroll services, Supply services and the management and delivery of the ICT network.

This KPI reports the satisfaction levels of services delivered to HSS customers. Service recipients are provided with a survey to complete and the responses will measure the extent to which the expectations of service delivery by HSS were met.

2018-19 Budget Target

The 2018-19 target is set at 50% customer satisfaction. A result above the target is desirable.

Results

2018 HSS Stakeholder Engagement Survey	Result 2016-17 (%)	Result 2017-18 (%)	Result 2018-19 (%)	Target 2018-19 (%)
Highly Satisfied	4.55%	0.00%	25.00%	-
Satisfied	43.18%	66.67%	50.00%	-
Total Percentage Satisfied	47.73%	66.67%	75.00%	50.00%

Data Sources: Responses to the survey, as received by Health Support Services.

Summary of financial performance

The total cost of providing services to the WA health system in 2018-19 was \$242,130 million.

Results for 2018-19 against agreed financial targets (based on the Budget Statements) are presented with full details of HSS' financial performance during 2018-19 in the Financial Statements section of this report.

	2018-19 Target (\$000)	2018-19 Actual (\$000)	2018-19 Variation (\$000)
Total cost of services	245,900	242,949	2,951
Net cost of services	222,893	219,396	3,497
Total equity	345,112	355,495	10,383
Net increase/decrease in cash held	-	37,268	37,268
Approved salary expense level	111,972	106,478	5,494

Significant issues



Significant issues

Current and emerging issues and trends

Procurement strategy and forward planning

The size, complexity and large number of contracts between the WA health system and suppliers pose a challenge to ensuring annual expenditure across the system remains sustainable.

A priority for HSS in 2019-20 will be to develop a 3 to 5-year Forward Procurement Plan for the WA health system that will inform contract term, reduce cycle time for procurement projects and reduce non-compliance and contract variations.

This will involve working collaboratively with key stakeholders such as the Health Service Providers and the Department of Finance to establish a system-wide approach so value for money outcomes can be achieved.

Providing a digital workspace

HSS recognises the workplace is becoming digital at an exponential rate. The WA health system workforce is communicating and collaborating in unprecedented ways to share knowledge across the system and beyond.

Innovative areas of our workforce desire the ability to forge more productive business relationships using digital tools and techniques within formal structures and through natural work groups and teams.

To respond to this changing working experience, HSS with its customers has co-designed and piloted the used of contemporary digital workspace capabilities. It is anticipated that commonly used and new computing devices and technologies will break down communication barriers, improve information sharing and foster greater efficiency and innovation.

The key to success lies in the effective implementation of a digital workspace strategy capable of driving true cultural and practice change. As the ICT provider of choice for the WA health system, HSS has embraced the challenge and developed a Transform2021 plan to guide and accelerate the realisation of a digital workspace

that supports a digital health movement. The contemporary digital workspace will feature streamlined and automated installation of personal computing devices and software access, and a greater degree of self-service capability.

Digital strategy

Aligned to the Sustainable Health Review, the WA health system has developed a roadmap for a digital transformation that aims to improve health service delivery across the State, improve equity of access, and empower consumers to become true partners in their own care.

Key to this strategy will be digital enhancement of older facilities, the establishment of a system-wide electronic medical record (eMR), and an investment in digital health technologies applications roadmap that balances long-term strategic planning and short term actions. This will enable the WA health system to accommodate digital disruption and changing industry trends.

HSS will partner with the WA health system to ensure system-wide initiatives achieve digitisation goals. HSS will be increasing its enterprise architecture and ICT program delivery capability to ensure it is able to achieve the required outcomes.

Recruitment and payroll process

Feedback from HSS' customers and staff have identified the current recruitment and payroll systems and processes are constraining the organisation from being able to deliver simple, reliable and responsive services.

As part of the HSS Transform2021 program, a review of the end-to-end recruitment and payroll processes was undertaken in 2019 to look at ways HSS is able to streamline processes, eliminate unproductive time and improve accuracy and cycle times. The review assessed current processes and outlined recommendations for improvements that better meet the customers' needs.

Delivering the future state recommendations will be a priority for HSS during 2019-20.

Capability and diversity of workforce

To ensure HSS is able to continue supporting the current and future needs of the WA health system, the organisation requires a capable, skilled and engaged workforce.

The HSS Strategic Workforce Plan 2019-22 was developed this year to outline a strategic, long-term approach to creating a great place to work by ensuring staff are equipped with the right set of capabilities and behaviours to support HSS' business objectives.

The plan builds HR foundations and focuses on embedding our people experience and sustaining a high-performance organisation. The three-year approach ensures HSS continues to focus on current and emerging trends in the talent market.

The HSS Strategic Workforce Plan considers the lifecycle of an employee, from attracting new employees to managing existing employees and this is presented through five core themes:

- attracting and retaining a diverse and high performing workforce
- inspire and grow our people
- strengthening our culture
- leading at HSS
- creating a great people experience.

A number of key deliverables in the Plan have been endorsed and commenced throughout 2018-19. This includes the HSS Aboriginal Workforce Action Plan, an HSS Employee Recognition Program and leadership development initiatives, such as coaching for leaders and a managers' induction program. HSS will continue to build upon these activities in the coming year.

Changes in written law

No changes to written law impacted HSS service delivery in 2018-19.



Disclosure and compliance



Ministerial Directives

Treasurer’s Instructions 902 (12) requires the disclosure of information on any Ministerial Directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.

Although no Ministerial Directives were issued to HSS in 2018-19, the Minister for Health provided a Statement of Expectation in August 2018, which set out the Minister’s expectations for the functions and responsibilities of HSS, as well as some areas of priority action. HSS responded to this with a Statement of Intent in November 2018.

Both of these documents are available on the Health Support Services website.

Pecuniary interests

Senior Officers of government agencies are required to declare any interest in an existing or proposed contract that has, or could result in, the member receiving a financial benefit and/or present an actual, potential or perceived conflict of interest.

In 2018-19, all HSS Executives submitted annual declarations regarding this requirement. No perceived, potential or actual conflicts of interest, or interests in any contracts that may provide a financial benefit were identified.

Unauthorised use of purchasing cards

HSS uses corporate purchasing cards for the purchase of goods and services. This enables HSS to achieve savings through improved administrative efficiency and more effective cash management. The purchasing card is a personalised credit card that provides a clear audit trail for management.

HSS purchasing cards are only issued to employees who have a justified work need and meet relevant criteria. Purchasing cards are not to be used for personal (unauthorised) purposes (i.e. a purpose that is not directly related to performing functions for the agency). Should a cardholder use a purchasing card for a personal purpose, they must give written notice to the Accountable Authority within five working days and refund the total amount of expenditure. All credit card purchases are reviewed by someone other than the cardholder to monitor compliance.

Despite each cardholder being made aware of their obligations annually under the HSS credit card policy, there was one instance (total amount of \$36.91) in 2018-19 where a purchasing card was used for personal purposes.

A review of the transaction confirmed it was an unintentional error and the full amount was refunded before the end of the reporting period.

Personal use expenditure by HSS purchasing cardholders, 2018-19

Purchasing card personal use expenditure	2018-19
Aggregate amount of personal use expenditure for the reporting period	\$36.91
Aggregate amount of personal use expenditure settled by the due date (within five working days)	\$36.91
Aggregate amount of personal use expenditure settled after the period (after five working days)	\$0
Aggregate amount of personal use expenditure outstanding at balance date	\$0

Boards and committee remuneration 2018-19

HSS does not provide remuneration for boards or committees.

Pricing policy

HSS receives state appropriation from the Department of Health. HSS does not invoice Health Services Providers or customers for the services provided.

Currently, HSS provides resources free of charge to each of the following reporting entities:

- Child and Adolescent Health Service
- Department of Health
- East Metropolitan Health Service
- Health and Disability Services Complaints Office
- Mental Health Commission
- North Metropolitan Health Service
- PathWest Laboratory Medicine WA
- Quadriplegic Centre
- Queen Elizabeth II Medical Centre Trust
- South Metropolitan Health Service
- WA Country Health Service



Capital works

There were no capital works completed in the 2018-19 Financial Year.

Capital works in progress in 2018-19 financial year

Project name	Estimated total cost in 2018-19 ⁴⁽ⁱ⁾ (\$000)	Reported in 2017-18 ⁴⁽ⁱⁱ⁾ (\$000)	Variance (\$000)	Expected completion date	Estimated cost to complete ⁴⁽ⁱⁱⁱ⁾	2017-18 and 2018-19 variation (>=10%)	Notes
Continued roll out of the Patient Administration System (PAS)	13,321	13,670	-349	2021-22	11,150	2,171	1
Enterprise Medical Imaging Platform (PACS-RIS)	52,441	52,525	-84	2021-22	46,333	6,108	2
Enterprise Medical Imaging Platform (PACS-RIS) - AGFA Remediation	-	-	-	2020-21	7,277	-7,277	2
Minor Works Program	12,491	4,000	8,491	2019-20	12,187	304	3

1. Funding for the Continued rollout of the Patient Administration System (PAS) revised its estimates for completion downwards in the 2018-19 financial year.
2. The original budget for the Replacement of Medical Imaging System (Picture Archive Communication System - Radiology Information System) has been split out into two separate projects.
3. Minor Works Program increased in 2018-19 due to new projects for the 2018-19 and 2019-20 financial years.
4. Per the references in the table headings, the above information is based upon the:
 - i. 2018-19 published budget papers
 - ii. 2017-18 published budget papers
 - iii. 2019-20 published budget papers.
5. Completion timeframes are based upon a combination of known dates at the time of reporting.

Employee profile 2018-19

The Full Time Equivalent (FTE) staffing within HSS in the 2018-19 financial year was 1,021.

Health Support Services

Category	Definition	2017-18	2018-19
Administration and clerical	Includes all clerical, administration, support, ICT and finance related occupations.	918	925
Agency	Includes FTE associated with the following occupational categories: administration and clerical, hotel services and other.	51	40
Nursing	Includes all nursing occupations. Does not include agency nurses.	2.9	3
Hotel services	Includes catering, cleaning, stores/supply, laundry and transport occupations.	54.7	53
Other Categories	Includes Aboriginal and ethnic health worker related occupations.	0.5	-
Total		1,027	1,021

Industrial relations

HSS receives industrial relations support from specialists within the Workforce and Organisational Development business unit. Support is provided on matters relating to discipline, performance, claims for permanency, change management processes, industrial disputes and fitness for work matters. These industrial relations specialists also manage the organisation’s relationship with the unions that represent our employees, ensuring that enquiries are responded to in a constructive and timely manner. This includes facilitating regular consultative forums around key organisational issues.

HSS ensures compliance with the WA Health Industrial Relations Policy. HSS is continuing with the implementation of Commissioner’s Instruction 23. In 2018-19, HSS commenced 78 reviews of eligible employees, converting 13 fixed term and casual contractors to permanent members of staff.

Disability access

The *Disability Services Act 1993 (WA)* was introduced to ensure people with disability have the same opportunities to fully access the range of services, facilities and information available to all members of the public. The Act also requires public authorities ensure people with a disability have equal opportunities for employment.

HSS is continually seeking to improve accessibility for any Western Australian wanting to engage with HSS, including people with disability. All HSS facilities are accessible to people with a disability, with dedicated parking bays maintained for those with disabilities. General access areas are on the ground floor level of all HSS facilities and these areas include motion-activated and timed access doors.

Requirements for staff with disability are considered and accommodated in the planning of any events and/or services. This includes choosing appropriate venues that are compliant with recommended access guidelines in relation to access, ease of movement within the building, parking arrangements, transport and travel to and from the building.

All communication materials can be provided in alternate formats to ensure equitable access to information for people with disability.

HSS complies with the WA Health Recruitment, Selection and Appointment Policy and associated procedures which forms part of the WA health system’s Employment Policy Framework. This ensures recruitment and selection is undertaken in a consistent, inclusive and open and transparent manner. Training is provided to those participating in selection processes to ensure full understanding of the relevant public sector standards, legislation and regulations, including those that relate to disability discrimination.

Expenditure on advertising

In accordance with section 175Z of the Electoral Act 1907, HSS incurred the following advertising expenditure in 2018-19.

Summary of advertising	Amount (\$)
Advertising agencies	2,708.56
Market research organisation	-
Polling organisations	-
Direct mail organisations	-
Media advertising organisations	-
Total advertising expenditure	2,708.56

Initiative Media was the only organisation to provide advertising services to HSS in 2018-19.

Compliance with public sector standards and ethical codes

Public Sector Standards have been developed to support the principles of appropriate behaviour outlined in the Western Australian Public Sector Commission's Code of Ethics. HSS also ensures employee compliance with the WA Health Code of Conduct which forms part of the WA health system's Employment Policy Framework.

HSS employees are expected to uphold the Public Sector Standards and the WA Health Code of Conduct and are responsible for ensuring their behaviour reflects the Code of Ethics. To assist HSS employees to understand and comply with the principles of workplace behaviour and conduct, information regarding Public Sector Standards is provided at Corporate Induction, ad-hoc presentations to employees and through a number of professional learning and development courses.

Systems are in place to ensure Breach of Standard claims are reported to the Public Sector Commission as required and complainants are provided with advice on the ability to lodge a breach should they wish.

Where a breach of standard has been lodged, an internal assessment is undertaken and HSS complies with the Public Sector Commission Managing Breach Claims Agency Guide.

In 2018-19, two breach claims were lodged, one against the Employment Standard and one against the Grievance Resolution Standard. Both were referred to the Public Sector Commission but were not upheld.

In 2018-19, HSS formally identified and managed eight issues of compliance with the WA Health Code of Conduct. One case was reported to the Corruption Crime Commission and two cases reported to the Public Sector Commission. Three issues are still undergoing the disciplinary process and no decision has been made as to whether a final breach has occurred.

Recordkeeping plans

The *State Records Act 2000 (WA)* mandates the standardisation of statutory recordkeeping practices for every State Government agency. HSS complies with *State Records Act 2000 (WA)*.

HSS is committed to maintaining systems that enable employees to manage transactional and

corporate content to support business practices. All HSS business records, correspondence that enters HSS for business purposes or supports evidence of business activity and decision making is identified and captured in an electronic records management system. All employees within HSS are required to undertake mandatory Recordkeeping Awareness Training.

The records management practice within HSS is outlined in a framework of accountabilities and responsibilities which clearly demonstrates the statutory basis for the implementation and ongoing improvement of recordkeeping solutions.

Freedom of Information

The *Freedom of Information Act 1992 (WA)* gives all Western Australians a right of access to information held by HSS. Information and details about the process to lodge a Freedom of Information (FOI) application is available on the HSS website. FOI applicants can be granted full access, partial access or access may be refused in accordance with the *Freedom of Information Act 1992 (WA)*.

In the 2018-19 financial year, HSS received one new non-personal FOI application. No personal access applications were received.

Employee development

HSS is committed to the continuous development of a highly capable, appropriately skilled and qualified workforce. HSS recognises an ongoing commitment to staff development helps attract and retain talented employees and enables a resilient and agile organisation that is better prepared to respond to changing customer needs and requirements.

HSS leaders are the champions of our values and behaviours. They proactively lead their teams through transformational change, enabling our people to achieve their full potential. Creating confident and capable leaders is one of the five pillars of the HSS Strategic Workforce Plan 2019-22. A leadership development strategy will be launched in 2019 to support the development of HSS leaders in line with our values in order to set them up for success.

In 2018-19, senior leaders participated in 360-degree feedback assessments and coaching programs to help them gain insight into how, as a leader, they can grow a 'Think Customer First' culture and help HSS become a high performing organisation.

Extended Leadership Team forums were held every quarter to support culture change and strengthen values-based leadership behaviours. Succinct learning modules will be launched in 2019 to help leaders understand core requirements and responsibilities of their role and reiterate critical messages about working in the public sector.

Next year, HSS will launch the 'Core Communication Skills' program for frontline employees. This program will enhance the skills and behaviours of our people to ensure they can deliver a consistent and optimal level of customer service that is aligned to HSS' values and contributes towards an excellent customer experience.

The design of a new performance development framework is underway and will enable leaders to regularly review, address and recognise performance, and encourage employees to reach their full potential.

Formal training events are offered regularly in response to capability gaps and employees are encouraged to access these with consideration to their own professional development needs.



Workers' compensation

The Workers' Compensation system was established by the *Workers' Compensation and Injury Management Act 1981* (WA). HSS is committed to providing staff with a safe and healthy work environment. In 2018-19, a total of 7 new workers' compensation claims were made.

Workers' compensation claims - nature of the injuries

	2018-19	2017-18	2016-17	2015-16
All Other Diseases	-	-	2	1
Burns	-	1	-	-
Confusion and Crushing	-	-	-	2
Fractures	-	-	1	1
Foreign Bodies	-	1	-	-
Sprains, Strains and Dislocations	4	1	4	5
Superficial Injury	-	-	-	2
Mental Disorders	1	3	2	2
Musculoskeletal System	2	1	2	-
Open Wound	-	1	-	-
Total Number of Workplace Injuries	7	8	11	13

Occupational safety, health and injury management

HSS is committed to ensuring the safety, health and welfare of its employees, contractors and visitors through the following principles:

- Compliance with the *Occupational Safety and Health Act 1984* (WA) and associated legislation.
- Implementing safe systems of work and work practices to provide a safe workplace for all.

This commitment is expressed through a dedicated HSS Occupational Safety and Health (OSH) Framework and Policy. These clearly establish goals, strategies and monitoring systems, and articulate staff responsibilities.

OSH and Injury Management performance is monitored and reported monthly to the HSS Executive Committee meeting. These include reporting against public sector OSH KPIs, HSS specific OSH KPIs, and a review of key OSH issues, activities and initiatives.

The HSS OSH Committee, comprising employee representatives and managers, forms a core element of occupational safety and health consultation and delivery within HSS.

HSS is committed to assisting employees with work-related injuries to return to work as soon as medically appropriate in accordance with the requirements of the *Workers Compensation and Injury Management Act 1981* (WA). Managers are responsible for providing suitable duties for injured employees where required and for ensuring that support is provided to the employee following their injury or illness and during their return to work.

Substantive equality

HSS contributes to substantive equality for all Western Australians through the implementation of the Policy Framework for Substantive Equality.

The Framework provides a clear direction for HSS as an employer and service provider by addressing the potential for systemic discrimination and promoting sensitivity to the different needs of HSS' customer groups.

HSS has developed a long-term approach towards developing capabilities and careers. The HSS Strategic Workforce Plan 2019-22 informs leaders and employees of various deliverables that will enable them to perform their roles in a more efficient and effective way. A significant deliverable in 2018-19 was the development of the inaugural HSS Diversity and Inclusion Strategy 2019-22.

The HSS Diversity and Inclusion Strategy 2019-22 places significant focus on preventing systemic discrimination of marginalised groups through the implementation of various actionable plans. This includes the implementation of the Aboriginal Workforce Action Plan 2019-22 which focuses on cultural competency and organisational readiness, attraction, recruitment, development and retention of Aboriginal employees.

In 2018-19, HSS celebrated the success of the Aboriginal Cadetship Program with three Aboriginal cadets being selected for this program. In addition, strengthening cultural competency across HSS will entail the provision of advanced Aboriginal cultural awareness training for all HSS leaders in mid-2019.

Annual estimates 2019-20

The HSS annual operational budget estimates for the following financial year are reported to the Minister for Health under Section 40 of the *Financial Management Act 2006* (WA) and Treasurer's Instruction 953. The annual estimates for 2019-20, as approved by the Minister for Health, are as follows.

Part A: Statement of comprehensive income

	2019-20 Estimate (\$000)		2019-20 Estimate (\$000)
COST OF SERVICES		Gains	
Expenses		Gain on disposal of non-current assets	-
Employee benefits expense	104,377	Gain on disposal of other assets	-
Fees for visiting medical practitioners	-	Other Gains	-
Contracts for services	3,615	Total Gains	-
Supplies and services	79,768		
Finance costs	-	Total income other than income from State Government	24,017
Depreciation and amortisation expense	28,208		
Loss on disposal of non-current assets	-	NET COST OF SERVICES	236,435
Repairs, maintenance and consumable equipment	11,223		
Other supplies and services	204	Income from State Government	
Other expenses	33,057	Service appropriation	236,362
Total cost of services	260,452	Assets (transferred) / assumed	-
		Services received free of charge	73
INCOME		Royalties for Regions Funds	-
Revenue		Total income from State Government	236,435
Patient charges	-		
Other fees for services	7,685	SURPLUS / (DEFICIT) FOR THE PERIOD	-
Commonwealth grants and contributions	-		
Other grants and contributions	-	OTHER COMPREHENSIVE PROFIT / (LOSS)	
Donation revenue	-	Items not reclassified subsequently to profit or loss	
Interest revenue	-	Changes in asset revaluation reserve	-
Commercial activities	-	TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-
Other revenue	16,332		
Total revenue	24,017		

Part B: Statement of financial position

	2019-20 Estimate (\$000)		2019-20 Estimate (\$000)
ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash and cash equivalents	44,320	Borrowings	-
Restricted cash and cash equivalents	-	Payables	40,524
Receivables	4,789	Provisions	19,940
Amounts receivable for services	-	Other current liabilities	2,486
Inventories	7,042	Total Current Liabilities	62,950
Other current assets	8,413		
Non-current assets classified as held for sale	-	Non-Current Liabilities	
Total Current Assets	64,564	Borrowings	-
		Payables	-
Non-Current Assets		Provisions	5,912
Restricted cash and cash equivalents	1,612	Other non-current liabilities	117,516
Amounts receivable for services	241,674	Total Non-Current Liabilities	123,428
Receivables	-	Total Liabilities	186,378
Intangible assets	152,939		
Property, plant and equipment	8,554	NET ASSETS	403,308
Right of use assets	120,343		
Other non-current assets	-	EQUITY	
Total Non-Current Assets	525,122	Contributed equity	362,928
		Reserves	-
Total Assets	589,686	Accumulated surplus	40,380
		TOTAL EQUITY	403,308

Disclosure and compliance

Part C: Statement of cash flows

	2019-20 Estimate (\$000)		2019-20 Estimate (\$000)
CASH FLOWS FROM STATE GOVERNMENT		CASH FLOWS FROM INVESTING ACTIVITIES	
Service appropriation	211,320	Payments	
Capital appropriation	35,069	Payment for purchase of non-current physical and intangible assets	(35,069)
Holding account drawdown		Receipts	
Royalties for Region Funds		Proceeds from sale of non-current physical assets	-
Net cash provided by State Government	246,389	Net cash used in investing activities	(35,069)
<i>Utilised as follows:</i>			
CASH FLOWS FROM OPERATING ACTIVITIES		CASH FLOWS FROM FINANCING ACTIVITIES	
Payments		Payments	
Employee benefits	(104,377)	Repayment of lease liabilities	(8,428)
Supplies and services	(122,532)	Repayment of borrowings	-
Finance costs	-	Repayment of other liabilities	-
Grants and Subsidies	-	Net cash used in financing activities	(8,428)
Contributions to Capital Works Funds	-		
GST payments on purchases	-	Net increase / (decrease) in cash and cash equivalents	
Other Payments	-		
Receipts		Cash and cash equivalent at the beginning of the period	45,932
User charges and fees	-	Cash transferred from Department of Health	-
Commonwealth grants and contributions	-	Cash and Cash Equivalents transferred to other agencies	-
Other grants and contributions	-	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	45,932
Donations received	-		
Interest received	-		
GST receipts on sales	-		
GST refunds with taxation authority	-		
Other receipts	24,017		
Net cash used in operating activities	(202,892)		

Financial statements

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

HEALTH SUPPORT SERVICES

Report on the Financial Statements

Opinion

I have audited the financial statements of the Health Support Services which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Health Support Services for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Health Support Services in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Chief Executive for the Financial Statements

The Chief Executive is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Chief Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Health Support Services.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Page 1 of 4

7th Floor Albert Facey House 488 Wellington Street Perth WA 6000 TEL: 08 6557 7500 FAX: 08 6557 7600

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- Conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Health Support Services. The controls exercised by the Health Support Services are those policies and procedures established by the Chief Executive to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Health Support Services are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Chief Executive's Responsibilities

The Chief Executive is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Page 2 of 4

Independent Auditor's Report

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Health Support Services for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Health Support Services are relevant and appropriate to assist users to assess the Health Support Services' performance and fairly represent indicated performance for the year ended 30 June 2019.

The Chief Executive's Responsibility for the Key Performance Indicators

The Chief Executive is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's instructions and for such internal control as the Chief Executive determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Chief Executive is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Health Support Services for the year ended 30 June 2019 included on the Health Support Services' website. Health Support Services' management is responsible for the integrity of the Health Support Services' website. This audit does not provide assurance on the integrity of the Health Support Services' website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
6 September 2019

Certification of financial statements

Health Support Services

Certification of Financial Statements for the year ended 30 June 2019

The accompanying financial statements of Health Support Services have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2019 and the financial position as at 30 June 2019.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Sash Tomson
Chief Financial Officer
Health Support Services

Date: 29-8-2019



Robert Toms
Chief Executive
Health Support Services

Date: 29.8.19

Statement of comprehensive income

For the year ended 30 June 2019

	Notes	2019 (\$000)	2018 (\$000)		Notes	2019 (\$000)	2018 (\$000)
COST OF SERVICES				INCOME FROM STATE GOVERNMENT			
Expenses				Service appropriations			
Employee benefits expense	3.1	106,478	109,265		4.1	232,016	247,293
Contracts for services	3.2	3,500	3,768	Assets (transferred)/assumed	4.1	6,108	201
Supplies and services	3.2	65,335	70,356	Services received free of charge	4.1	230	184
Depreciation and amortisation expense	5.1.1, 5.2	24,668	28,217	Total income from State Government		238,354	247,678
Loss on disposal of non-current assets	5.2	8	911				
Repairs, maintenance and consumable equipment	3.2	11,751	7,243	SURPLUS FOR THE PERIOD		18,958	3,597
Other expenses	3.2	31,209	33,535				
Total cost of services		242,949	253,295	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		18,958	3,597
INCOME							
Revenue							
Fees for services	4.2	7,884	8,016				
Grants and contributions	4.3	1,487	370				
Other revenue	4.4	14,182	828				
Total revenue		23,553	9,214				
Total income other than income from State Government		23,553	9,214				
NET COST OF SERVICES		219,396	244,081				

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2019

	Notes	2019 (\$'000)	2018 (\$'000)		Notes	2019 (\$'000)	2018 (\$'000)
ASSETS				LIABILITIES			
Current Assets				Current Liabilities			
Cash and cash equivalents	7.1	59,335	26,727	Payables	6.5	55,275	23,894
Restricted cash and cash equivalents	7.1.1	4,260	-	Provisions	3.1(b)	20,168	20,737
Receivables	6.1	4,789	3,134	Other current liabilities	6.6	7,602	1,089
Inventories	6.2	7,042	-	Total Current Liabilities		83,045	45,720
Other current assets	6.4	8,335	7,730				
Total Current Assets		83,761	37,591	Non-Current Liabilities			
Non-Current Assets				Provisions	3.1(b)	6,534	5,311
Restricted cash and cash equivalents	7.1.1	1,612	1,212	Other non-current liabilities	6.6	6,691	7,877
Amounts receivable for services	6.3	211,867	186,896	Total Non-Current Liabilities		13,225	13,188
Property, plant and equipment	5.1	16,619	16,994				
Intangible assets	5.2	137,906	137,370	Total Liabilities		96,270	58,908
Other non-current assets	6.4	-	75				
Total Non-Current Assets		368,004	342,547	NET ASSETS			
						355,495	321,230
Total Assets		451,765	380,138	EQUITY			
				Contributed equity	9.8	311,996	296,689
				Accumulated surplus	9.8	43,499	24,541
				TOTAL EQUITY		355,495	321,230

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2019

	Notes	2019 (\$000)	2018 (\$000)
CONTRIBUTED EQUITY	9.8		
Balance at start of period		296,689	280,042
Contribution by owners		0	3,852
Balance at start of period		296,689	283,894
Transactions with owners in their capacity as owners:			
Capital appropriations		15,558	7,315
Other contributions by owners		(251)	5,480
Balance at end of period		311,996	296,689
ACCUMULATED SURPLUS	9.8		
Balance at start of period		24,541	20,944
Surplus for the period		18,958	3,597
Balance at end of period		43,499	24,541
TOTAL EQUITY			
Balance at start of period		321,230	304,838
Total comprehensive income for the period		18,958	3,597
Transactions with owners in their capacity as owners		15,307	12,795
Balance at end of period		355,495	321,230

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2019

	Notes	2019 (\$'000)	2018 (\$'000)		Notes	2019 (\$'000)	2018 (\$'000)
CASH FLOWS FROM STATE GOVERNMENT				CASH FLOWS FROM INVESTING ACTIVITIES			
Service appropriations		212,536	218,663	Payments			
Contribution from owners		2,556	-	Payment for purchase of non-current physical and intangible assets		(24,219)	(7,130)
Funding for capital projects		5,490	-	Receipts			
Capital appropriations		15,307	7,315	Proceeds from sale of non-current physical assets		-	-
Net cash provided by State Government		235,888	225,978	Net cash used in investing activities		(24,219)	(7,130)
Utilised as follows:				CASH FLOWS FROM FINANCING ACTIVITIES			
CASH FLOWS FROM OPERATING ACTIVITIES				Payments			
Payments				Repayment of finance lease liabilities		-	-
Employee benefits		(105,535)	(108,672)	Net cash used in financing activities		-	-
Supplies and services		(75,962)	(75,324)	Net increase in cash and cash equivalents		37,268	10,505
Other payment		(31,204)	(33,530)	Cash and cash equivalents at the beginning of the period		27,939	17,434
Receipts				CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7.1.1	65,207	27,939
Other grants and contributions		1,487	370				
Other receipts		36,814	8,813				
Net cash used in operating activities		(174,400)	(208,343)				

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2019

1 Basis of preparation

Health Support Services (The Authority) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal object).

These annual financial statements were authorised for issue by the Chief Executive Officer of the Authority on 29 August 2019.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurers Instructions (the Instructions or TI)
- 2) Australian Accounting Standards (AAS) Reduced Disclosure Requirements.
- 2) Where appropriate, those AAS paragraphs for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

The financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$000).

Judgement and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Notes to the financial statements

For the year ended 30 June 2019

1 Basis of preparation (continued)

Contributed equity

AASB Interpretation 1038 '*Contributions by Owners Made to Wholly-Owned Public Sector Entities*' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by Treasurer's Instruction 955 '*Contributions by Owners made to Wholly Owned Public Sector Entities*' and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

2 Agency outputs

How the Authority operates

This section includes information regarding the nature of funding the Authority receives and how this funding is utilised to achieve the Authorities objectives. This note also provides the distinction between controlled funding and administered funding:

	Note
Agency Objectives	2.1
Schedule of Income and Expenses by Service	2.2

2.1 Agency objectives

Mission

We support our customers to provide excellent health care.

Services

Service 1: Health Support Services

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

2.2 Schedule of income and expenses by service

The Authority has one service which is to provide a shared service of functions of human resources and payroll services, ICT support services and the management of the supply chain for WA Health Service Providers. Refer to Statement of Comprehensive Income.

Notes to the financial statements

For the year ended 30 June 2019

3 Use of our Funding

Expenses incurred in the delivery of services

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

	Notes	2019 (\$000)	2018 (\$000)
Employee benefits expense	3.1 (a)	106,478	109,265
Employee benefits provision	3.1(b)	26,702	26,048
Other expenses	3.2	111,795	114,902

3.1(a) Employee benefits expense

Salaries and wages	96,380	94,977
Termination Benefits	1,143	5,393
Superannuation - defined contribution plans (a)	8,955	8,895
	106,478	109,265

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax and leave entitlements.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the Authority's obligations to the related superannuation liability.

Notes to the financial statements

For the year ended 30 June 2019

3.1(a) Employee benefits expense (continued)

The Authority does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the Unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Authority to GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the Authority's obligations to the related superannuation liability.

3.1(b) Employee benefits provision

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2019 (\$000)	2018 (\$000)
Current		
<u>Employee benefits provision</u>		
Annual leave (a)	11,951	12,329
Time off in lieu leave (a)	240	237
Long service leave (b)	7,674	7,924
Deferred salary scheme (c)	302	247
	20,167	20,737
Non-current		
<u>Employee benefits provision</u>		
Long service leave (b)	6,535	5,311
	6,535	5,311
Total provisions	26,702	26,048

Notes to the financial statements

For the year ended 30 June 2019

3.1(b) Employee benefits provision (continued)

(a) **Annual leave liabilities and time off in lieu leave liabilities:** have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 (\$000)	2018 (\$000)
Within 12 months of the end of the reporting period	8,533	8,867
More than 12 months after the end of the reporting period	3,658	3,699
	<u>12,191</u>	<u>12,566</u>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of services.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 (\$000)	2018 (\$000)
Within 12 months of the end of the reporting period	1,919	1,981
More than 12 months after the end of the reporting period	12,290	11,254
	<u>14,209</u>	<u>13,235</u>

The provision for long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Notes to the financial statements

For the year ended 30 June 2019

3.1(b) Employee benefits provision (continued)

(c) **Deferred salary scheme liabilities:** have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 (\$000)	2018 (\$000)
Within 12 months of the end of the reporting period	70	67
More than 12 months after the end of the reporting period	232	179
	302	247

d) **Key sources of estimation uncertainty - long service leave**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Authority's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Notes to the financial statements

For the year ended 30 June 2019

3.2 Other expenditure

	2019 (\$000)	2018 (\$000)
Contracts for services		
Australian Digital Health Agency - Member Contribution	3,500	3,768
Total contracts for services	3,500	3,768
Supplies and Services		
Computer services	60,277	65,312
Domestic charges	574	549
Utility costs	1,241	1,292
Subsidy spectacle scheme	2,414	2,471
Sanitisation and waste removal services	89	106
Administration and management services	274	70
Security services	87	121
Other	379	435
Total supplies and Services	65,335	70,356
Repairs, maintenance and consumable equipment		
Repairs and maintenance	8,442	5,553
Consumable equipment	3,309	1,690
Total repairs, maintenance and consumable equipment	11,751	7,243

	2019 (\$000)	2018 (\$000)
Other expenses		
Telecommunication expenses	11,047	10,834
Workers compensation insurance (a)	588	1,523
Operating lease expenses	13,892	14,556
Other insurances	110	103
Other employee related expenses	905	994
Printing and stationery	468	453
Doubtful debts expense	5	5
Motor vehicle expenses	54	72
Other	4,140	4,995
Total other expenses	31,209	33,535
Total other expenditure	111,795	114,902

Notes to the financial statements

For the year ended 30 June 2019

3.2 Other expenditure (continued)

Contracts for services

Contracts for services are recognised as an expense in the reporting period in which they are incurred.

Supplies and Services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any materials held for distribution are expensed when the materials are distributed

Repairs, maintenance and consumable equipment

Repairs, maintenance and consumable equipment costs are recognised as expenses are incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Other expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

(a) Employee on-cost includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities included at Note 3.1 (b) Employee benefit provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

4 Our funding sources

How we obtain our funding

This section provides additional information about how the Authority obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Authority and the relevant notes are:

	Notes	2019 (\$000)	2018 (\$000)
Income from State Government	4.1	238,354	247,678
Fees for services	4.2	7,884	8,016
Grants and contributions	4.3	1,487	370
Other revenue	4.4	14,182	828

4.1 Income from State Government

	2019 (\$000)	2018 (\$000)
Appropriation revenue received during the period:		
Service appropriations (funding via the Department of Health) (a)	232,016	247,293
Total appropriation revenue	232,016	247,293

Notes to the financial statements

For the year ended 30 June 2019

4.1 Income from State Government (continued)

	2019 (\$000)	2018 (\$000)
Assets transferred from/(to) other State government agencies during the period:		
Funds transferred from the Department of Health for the HealthNext capital project	5,490	-
Assets transferred from the Department of Health	618	-
Equipment transferred from Western Australian Country Health Services	-	201
Total assets assumed	6,108	201
Services received free of charge from other State government agencies during the period:		
Department of Finance - government accommodation - leasing	230	184
Total services received	230	184
Total Income from State Government	238,354	247,678

(a) **Service Appropriations** are recognised as revenues at fair value in the period in which the Authority gains control of the appropriated funds. The Agency gains control of appropriated funds at the time those funds are deposited in the bank occur or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered
Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset)
- The receivable (holding account - note 6.3) comprises the following:
 - The budgeted depreciation expense for the year; and
 - Any agreed increase in leave liabilities during the year.

(c) **Transfer of Assets:** Discretionary transfers of net assets (assets and liabilities) between State Government agencies free of charge, are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 'Contributions' in respect of net assets transferred. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

Notes to the financial statements

For the year ended 30 June 2019

4.2 Fees for services

	2019 (\$000)	2018 (\$000)
Non clinical services to other health organisations	167	140
Telecommunication recoups	5,783	5,390
Other	1,933	2,486
	7,884	8,016

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised as and when the service is provided.

4.3 Grants and contributions

	2019 (\$000)	2018 (\$000)
Australian Digital Health Agency - My Health Records rollout	1,487	366
Other	-	4
	1,487	370

The My health records rollout grant is a non-reciprocal grant from the Commonwealth Department Australian Digital Health Agency. The terms of the grant specify that the funding is to be used for the rollout of electronic health records within Western Australia. The grant has been recognised in its entirety upon receipt.

Grant income arises from transactions described as:

- Non-reciprocal (where the agency does not provide approximate equal value in return to a party providing goods or assets (or extinguishes a liability); or
- Reciprocal (where the agency provides equal value to the recipient of the grant provider).

The accounting for these are set out below.

For non-reciprocal grants, the Authority recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured.

Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

For reciprocal grants, the Authority recognises income when it has satisfied its performance obligations under the terms of the grant.

Grants can further be split between:

- General purpose grants
- Specific purpose grants

General purpose grants refers to grants which are not subject to conditions regarding their use. Specific purpose grants are received for a particular purpose and/or have conditions attached regarding their use.

Notes to the financial statements

For the year ended 30 June 2019

4.4 Other revenue

	2019 (\$000)	2018 (\$000)
RiskCover insurance premium rebate	553	7
Parking	5	19
Criminal Screen Recording	135	64
Service provided to the Department of Health	12,894	-
Recoveries	11	537
Other	584	201
	14,182	828

Other revenue: is recognised as and when it is incurred

5. Key assets

Assets the Authority utilises for economic benefit or service potential

This section includes information regarding the key assets the Authority utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 (\$000)	2018 (\$000)
Property, plant and equipment	5.1	16,619	16,994
Intangibles	5.2	137,906	137,370
Total key assets		154,525	154,364

Notes to the financial statements

For the year ended 30 June 2019

5.1 Property, plant and equipment

Year ended 30 June 2019	Leasehold improvements (\$000)	Computer equipment (\$000)	Furniture and fittings (\$000)	Medical equipment (\$000)	Other plant and equipment (\$000)	Work in progress (\$000)	Total (\$000)
1 July 2018							
Gross carrying amount	5,528	28,247	32	246	762	3,053	37,868
Accumulated depreciation	(889)	(19,587)	(5)	(155)	(237)	-	(20,873)
Accumulated impairment loss	-	-	-	-	-	-	-
Carrying amount at start 1 July 2018	4,638	8,660	27	92	525	3,053	16,994
Additions	-	26	-	-	26	7,304	7,357
Transfers(a)	-	-	-	-	-	-	-
Transfers between asset classes	-	-	-	-	-	(2,170)	(2,170)
Other disposals	-	-	-	-	(8)	-	(8)
Depreciation	(605)	(4,747)	(3)	(72)	(127)	-	(5,554)
Carrying amount at 30 June 2019	4,033	3,938	24	20	416	8,187	16,619

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Notes to the financial statements

For the year ended 30 June 2019

5.1.1 Depreciation and amortisation expense

	2019 (\$000)	2018 (\$000)
<u>Depreciation</u>		
Leasehold improvements	605	605
Computer equipment	4,747	8,587
Furniture and fittings	3	3
Medical equipment	72	87
Other plant and equipment	127	123
Total Depreciation for the period	5,554	9,404

As at 30 June 2019 there were no indications of impairment to property plant and equipment.

Please refer to note 5.2 for guidance in relation to the impairment assessment that been performed for intangible assets.

Finite useful lives

All property, plant and equipment having a limited useful life are depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include items under operating leases.

Depreciation is calculated on a straight line basis, at rates that allocate asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Leasehold improvements	Term of the lease
Computer equipment	4 to 7 years
Furniture and fittings	2 to 20 years
Motor vehicles	3 to 10 years
Medical equipment	10 years
Other plant and equipment	5 to 10 years

The estimated useful lives are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Notes to the financial statements

For the year ended 30 June 2019

5.1.1 Depreciation and amortisation expense (continued)

Impairment

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in Profit and Loss.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

5.2 Intangible assets

Year ended 30 June 2019	Computer Software (\$000)	Work in Progress (\$000)	Total (\$000)
1 July 2018			
Gross carrying amount	174,537	1,384	175,921
Accumulated depreciation	(38,551)	-	(38,551)
Carrying amount at 1 July 2018	135,986	1,384	137,370
Additions	599	16,883	17,481
Transfers from works in progress	2,701	(2,701)	-
Transfers between asset classes	-	2,170	2,170
Amortisation expense	(19,114)	-	(19,114)
Carrying amount at 1 July 2019	120,170	17,736	137,906

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive income.

Notes to the financial statements

For the year ended 30 June 2019

6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Authority's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 (\$000)	2018 (\$000)
Receivables	6.1	4,789	3,134
Inventories	6.2	7,042	-
Amounts receivable for services	6.3	211,867	186,896
Other assets	6.4	8,335	7,805
Payables	6.5	55,275	23,894
Other liabilities	6.6	14,293	8,966

6.1 Receivables

	2019 (\$000)	2018 (\$000)
<u>Current</u>		
Other receivables	552	375
Less: Allowance for impairment of receivables	(10)	(5)
Accrued revenue	2,188	1,148
GST Receivables	2,059	1,616
Total current	4,789	3,134
Total receivables	4,789	3,134

The Authority does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

6.1.1 Movement of the allowance for impairment of receivables

	2019 (\$000)	2018 (\$000)
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	5	-
Doubtful debts expense	5	5
Balance at end of period	10	5

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts.

Notes to the financial statements

For the year ended 30 June 2019

6.2 Inventories

	2019 (\$000)	2018 (\$000)
<u>Current</u>		
State Distribution Centre - supply stores (at cost)	7,042	-
Total current inventories	7,042	-

The State Distribution Centre at Jandakot was transferred over to the Authority on the 1st of August 2018.

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted average cost basis.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

6.3 Amounts receivable for services (Holding Account)

	2019 (\$000)	2018 (\$000)
<u>Non-current</u>		
Balance at end of period	211,867	186,896

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The Authority receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

6.4 Other assets

	2019 (\$000)	2018 (\$000)
<u>Current</u>		
Prepayments	8,335	7,730
Total current	8,335	7,730
<u>Non-Current</u>		
Prepayments	-	75
Total non-current	-	75
Balance at end of period	8,335	7,805

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Notes to the financial statements

For the year ended 30 June 2019

6.5 Payables

	2019 (\$000)	2018 (\$000)
Current		
Trade creditors	6,681	1,247
Other creditors	10,400	5
Accrued expenses	36,401	21,137
Accrued salaries	1,794	1,505
Total current payables	55,275	23,894
Balance at end of period	55,275	23,894

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account consists of amounts paid annually, from Authority appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pays instead of the normal 26. No interest is received on this account.

6.6 Other liabilities

	2019 (\$000)	2018 (\$000)
Current		
Income received in advance	761	-
Lease discount received in advance	1,145	1,086
Paid parental leave scheme	26	-
Patient receipts on behalf of WA Health	4,260	-
Other	1,410	4
Total current	7,602	1,089
Non-Current		
Lease discount received in advance	6,691	7,877
Total non-current	6,691	7,877
Balance at end of period	14,293	8,966

Notes to the financial statements

For the year ended 30 June 2019

7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Authority.

	Note
Cash and cash equivalents	7.1
Commitments	7.2
Non-cancellable operating lease commitments	7.2.1
Capital commitments	7.2.2
Other expenditure commitments	7.2.3

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Notes	2019 (\$000)	2018 (\$000)
Cash and cash equivalents		59,335	26,727
Restricted cash and cash equivalents		4,260	-
Accrued salaries suspense account(a)		1,612	1,212
Balance at end of period		65,207	27,939

(a) funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

The Authority held cash balances of \$6.171M within Cash and cash equivalents as of 30 June 2019 for the purposes of completing capital projects in the Asset Investment Program.

7.2 Commitments

7.2.1 Non-cancellable operating lease commitments

	2019 (\$000)	2018 (\$000)
Commitments for minimum lease payments are payable as follows:		
Within 1 year	14,681	11,574
Later than 1 year, and not later than 5 years	47,026	38,270
Later than 5 years	18,972	23,465
Balance at end of period	80,679	73,309

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

7.2.2 Capital expenditure commitments:

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:

	2019 (\$000)	2018 (\$000)
Within 1 year	18,793	5,083
Later than 1 year, and not later than 5 years	1,659	-
Later than 5 years	-	-
20,452	20,452	5,083

The totals presented for capital commitments are GST inclusive.

Notes to the financial statements

For the year ended 30 June 2019

7.2.3 Other expenditure commitments:

Other expenditure commitments contracted for at the reporting period but not recognised as liabilities are payable as follows:

	2019 (\$000)	2018 (\$000)
Within 1 year	89,511	48,130
Later than 1 year, and not later than 5 years	103,628	27,972
Later than 5 years	-	-
	193,139	76,102

The totals presented for other expenditure commitments are GST inclusive.

Judgements made by management in applying accounting policies - operating lease commitments

The Authority has entered into a number of leases for buildings for branch office accommodation. Some of these leases related to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

8. Risks and contingencies

This note sets out the key risk management policies and measurement techniques of the Authority.

	Note
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2

8.1 Financial risk management

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2019 (\$000)	2018 (\$000)
<u>Financial assets</u>		
Cash and cash equivalents	59,335	26,727
Restricted cash and cash equivalents	5,872	1,212
Loans and receivables (a)	214,597	188,413
Total financial assets	279,804	216,352
<u>Financial liabilities</u>		
Payables	55,275	23,894
Total financial liability	55,275	23,894

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

Notes to the financial statements

For the year ended 30 June 2019

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively

8.2.1 Contingent assets

At the reporting date, the Authority is not aware of any contingent assets.

8.2.2 Contingent liabilities

At the reporting date, the Authority is not aware of any contingent liabilities

9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Note
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Key management personnel	9.3
Transactions With Related parties	9.4
Related bodies	9.5
Administered trust accounts	9.6
Remuneration of auditors	9.7
Equity	9.8
Supplementary financial information	9.9
Explanatory statement	9.10

9.1 Events occurring after the end of the reporting period

There were no events occurring after the reporting period which had significant financial effects on these financial statements.

Notes to the financial statements

For the year ended 30 June 2019

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 June 2018, bringing together all three aspects of accounting for financial instruments: classification and measurement; impairment and hedge accounting.

The Agency applied AASB 9 prospectively, with an initial application date of 1 June 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Agency has not restated the comparative information which continues to be reported under AASB 139. The impact on reclassification and remeasurement is immaterial.

There was no impact of adopting AASB 9 as at 30 June 2019.

9.3 Compensation of key management personnel

Remuneration of members of the Accountable Authority

The Authority has determined that the key management personnel include Ministers, members and senior officers of the Authority. However, the Authority is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be

found in the Annual Report on State Finances. Total compensation for key management personnel, comprising members and senior officers of the Authority for the reporting period are presented within the following bands:

Compensation of members of the accountable authority:

Compensation Band (\$)	2019	2018
\$10,001 - \$20,000	-	4
\$20,001 - \$30,000	-	2
\$80,001 - \$90,000	-	1
\$100,001 - \$110,000	1	-
\$120,001 - \$130,000	-	1
\$140,001 - \$150,000	1	-
\$160,001 - \$170,000	-	1
\$180,001 - \$190,000	-	1
\$220,001 - \$230,000	2	-
\$230,001 - \$240,000	1	1
\$240,001 - \$250,000	2	-
\$250,001 - \$260,000	1	-
\$260,001 - \$270,000	-	1
\$300,001 - \$310,000	-	1
\$360,001 - \$370,000	1	1
\$380,001 - \$390,000	-	1
Total:	9	15

Notes to the financial statements

For the year ended 30 June 2019

9.3 Compensation of key management personnel (continued):

	2019 (\$000)	2018 (\$000)
Short-term employee benefits	1,815	1,913
Post-employment benefits	160	271
Other long-term benefits	79	(85)
Termination benefits	-	122
Total remuneration of senior officers	2,054	2,221

Total compensation includes the superannuation expense incurred by the Authority in respect of senior officers.

9.4 Transactions with related parties

The Authority is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Authority is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the Authority include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers of Health Support Services and the Department of Health and their close family members, and their controlled or jointly controlled entities;

- other statutory authorities and public sector entities, including related bodies included in the whole of government consolidated financial statements; and
- associated and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- service appropriations (note 4.1)
- capital appropriations (note 4.1)
- services received free of charge (note 4.1)
- superannuation payments to GESB (note 3.1)
- telecommunication recoups (note 4.2)
- services provided free of charge (note 9.9)

Material transactions with other related parties:

The Authority had no material related party transactions with Ministers/ senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

During the year, the Authority paid \$3,455,666 in employee superannuation contributions to the Government Employees Superannuation Board.

Notes to the financial statements

For the year ended 30 June 2019

9.5 Related bodies

A related body is a body which receives more than half its funding and resources from the Authority and is subject to operational control by the Authority.

The Authority had no related bodies during the financial year.

9.6 Administered trust accounts

Funds held in these trust accounts are not controlled by the Authority and are therefore not recognised in the financial statements.

The Authority administers a trust account for medical practitioners exercising a 'right of private practice' when treating privately referred non-inpatients.

A summary of the transactions for this trust account is as follows:

	2019 (\$000)	2018 (\$000)
Balance at the start of period	3	5
Add Receipts	0	3
	<u>4</u>	<u>8</u>
Less Payments	(3)	(5)
Balance at the end of period	<u>0</u>	<u>3</u>

9.7 Remuneration of auditors

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019 (\$000)	2018 (\$000)
Auditing the accounts, financial statements and key performance indicators	190	187

9.8 Equity

	2019 (\$000)	2018 (\$000)
Contributed equity		
Balance at start of period (a)	296,689	283,894
<u>Contributions by owners (c)</u>		
Capital appropriation (b)	15,558	7,315
Transfer of the State Distribution Centre from the Department of Health	(251)	-
Transfer of assets from the Department of Health	-	5,480
	<u>15,307</u>	<u>12,795</u>
<u>Distributions to owners (c) (d)</u>		
Transfer of employee entitlements between WA Health entities	-	-
Total contributions by owners	<u>-</u>	<u>-</u>
Balance at end of period	<u>311,996</u>	<u>296,689</u>

Notes to the financial statements

For the year ended 30 June 2019

9.8 Equity (continued)

(a) Balance at the start of the period represents assets and liabilities contributed as a result of establishment of the Authority under the new *Health Service Act 2016* effective 1 July 2016.

(b) Treasurer’s Instruction (TI) 955 ‘*Contributions by Owners Made to Wholly Owned Public Sector Entities*’ designates capital appropriations as contributions by owners in accordance with AASB Interpretation 1038 ‘*Contributions by Owners Made to Wholly-Owned Public Sector Entities*’.

(c) AASB 1004 ‘*Contributions*’ requires transfers of net assets as a result of a restructure of administrative arrangements to be accounted for as contributions by owners and distributions to owners.

TI 955 designates non-discretionary and non-reciprocal transfers of net assets between state government agencies as contributions by owners in accordance with AASB Interpretation 1038. Where the transferee agency accounts for a non-discretionary and non-reciprocal transfer of net assets as a contribution by owners, the transferor agency accounts for the transfer as a distribution to owners.

On 1st of August 2019 the State Distribution Centre was transferred from the Department of Health to the Authority. The transfer was a result of a restructure of administrative arrangements. Outlined below is the net liability transferred to the Authority:

Assets	
Cash and cash equivalents	2,607
Inventories	6,743
Other current assets	91
	9,441
Liabilities	
Payables	8,549
Other current Liabilities	1,143
	9,692
	(251)
Net Contribution	

(d) TI 955 requires non-reciprocal transfers of net assets to Government to be accounted for as distribution to owners in accordance with AASB Interpretation 1038.

	2019 (\$000)	2018 (\$000)
Accumulated surplus		
Balance at start of period	24,541	20,944
Result for the period	18,958	3,597
Balance at end of period	43,499	24,541

Notes to the financial statements

For the year ended 30 June 2019

9.9 Supplementary financial information

	2019 (\$000)	2018 (\$000)
(a) Write - offs		
a) Revenue and debts written off under the authority of the Accountable Authority	1	-
b) Public and other property written off under the authority of the Accountable Authority	-	-
	<u>1</u>	<u>-</u>
(b) Losses of public moneys and other property		
Losses of public moneys and public or other property through theft or default	1	-
Less amount recovered	-	-
Net losses	<u>1</u>	<u>-</u>

	2019 (\$000)	2018 (\$000)
(c) Services provided free of charge		
During the period the following services were provided to other agencies free of charge:		
North Metropolitan Health Services	55,135	55,419
South Metropolitan Health Services	49,084	54,043
East Metropolitan Health Services	39,144	41,759
Child and Adolescent Health Services	33,470	30,668
WA Country Health Services	31,824	31,799
Pathwest	9,612	-
The Queen Elizabeth II Medical Centre Trust	33	41
Quadriplegic Centre Board	103	123
Mental Health Commission	2,951	3,291
Health and Disability Services Complaints Office	156	165
	<u>221,512</u>	<u>217,307</u>

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2019 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$4.92 million for the Statement of Comprehensive Income and Cash Flows; and
- 5% and \$7.6 million for the Statement of Financial Position

Statement of Comprehensive Income		2019	2019	2018	Variance	Variance
COST OF SERVICES	Note	Estimates	Actual	Actual	between	between
		(\$000)	(\$000)	(\$000)	estimate	actual 2018
					and actual	and 2019
					(\$000)	(\$000)
Expenses						
Employee benefits expense	1	111,972	106,478	109,265	(5,494)	(2,788)
Contracts for services		4,312	3,500	3,768	(812)	(268)
Supplies and services	a	63,190	65,335	70,355	2,145	(5,020)
Depreciation and amortisation expense		26,420	24,668	28,217	(1,752)	(3,548)
Loss on disposal of non-current assets		-	8	911	8	(903)
Repairs, maintenance and consumable equipment		10,678	11,751	7,243	1,073	4,508
Other supplies and services		382	-	-	(382)	-
Other expenses		28,946	31,209	33,535	2,263	(2,326)
Total cost of services		245,900	242,949	253,295	(2,951)	(10,345)
INCOME						
Revenue						
Fees for services		6,860	7,884	8,016	1,024	(132)
Grants and contributions		751	1,487	370	736	1,117
Other revenue	2	15,396	14,182	828	(1,214)	13,354
Total Revenue		23,007	23,553	9,214	546	14,339
Total income other than income from State Government		23,007	23,553	9,214	546	14,339

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Statement of Comprehensive Income		2019 Estimates (\$000)	2019 Actual (\$000)	2018 Actual (\$000)	Variance between estimate and actual (\$000)	Variance between actual 2018 and 2019 (\$000)
COST OF SERVICES	Note					
NET COST OF SERVICES		222,893	219,396	244,081	(3,497)	(24,683)
INCOME FROM STATE GOVERNMENT						
Service appropriations	3,b	222,822	232,016	247,293	9,194	(15,278)
Assets (transferred)/assumed	4,c	-	6,108	201	6,108	5,907
Services received free of charge		71	230	184	159	45
Total income from State Government		222,893	238,354	247,678	15,461	(9,325)
SURPLUS/(DEFICIT) FOR THE PERIOD		-	18,958	3,597	18,957	15,358
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		-	18,958	3,597	18,957	15,358

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Significant variances between estimated and actual for 2019

1 Employee benefits expense

The estimates for Employee benefits expense are greater than actual for the 2018-19 financial year. One of the main factors causing this is the devolution of the Accounts Receivable function to the other Health Service Providers within WA Health in the 2018-19 financial year.

2 Other revenue

The higher revenue can be attributable to reclassification of revenue received from the Department of Health for services provided to them which equated to \$12.905M in 2018-19. This had a corresponding impact on service appropriation.

3 Service appropriations

Please see comments in 2 Other revenue for further details.

4 Assets (transferred)/assumed

The increase against estimates is largely due to funding received for the capital project HealthNext in the 2018-19 financial year.

Significant variances between actual for 2018 and 2019

a Supplies and services

Please see comments in 2 Other revenue for further details.

b Service appropriations

The actuals for Supplies and services in the 2018-19 financial year are less than by \$5.020M. This is largely caused by the reduction in expenditure for computer services.

c Assets (transferred)/assumed

Please see comments in 4 Assets (transferred)/assumed.

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Statement of Financial Position	Note	2019 Estimates (\$'000)	2019 Actual (\$'000)	2018 Actual (\$'000)	Variance between estimate and actual (\$'000)	Variance between actual 2018 and 2019 (\$'000)
ASSETS						
Current Assets						
Cash and cash equivalents	5,d	27,939	59,335	26,727	31,396	32,608
Restricted cash and cash equivalents			4,260	-	4,260	4,260
Receivables		3,630	4,789	3,134	1,159	1,654
Inventories			7,042	-	7,042	7,042
Other current assets		8,370	8,335	7,730	(35)	605
Total Current Assets		39,939	83,761	37,591	43,822	46,169
Non-Current Assets						
Restricted cash and cash equivalents		-	1,612	1,212	1,612	400
Amounts receivable for services		213,700	211,867	186,896	(1,833)	24,971
Property, plant and equipment		19,685	16,619	16,994	(3,066)	(375)
Intangible assets		131,372	137,906	137,370	6,534	535
Other non-current assets			-	75	-	(75)
Total Non-Current Assets		364,758	368,004	342,547	3,248	25,457
Total Assets		404,697	451,765	380,138	47,070	71,626

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Statement of Financial Position	Note	2019 Estimates (\$000)	2019 Actual (\$000)	2018 Actual (\$000)	Variance between estimate and actual (\$000)	Variance between actual 2018 and 2019 (\$000)
LIABILITIES						
Current Liabilities						
Payables	6,e	24,757	55,275	23,894	30,518	31,381
Provisions		21,680	20,168	20,737	(1,512)	(568)
Other current liabilities		1,085	7,602	1,089	6,517	6,512
Total Current Liabilities		47,522	83,045	45,720	35,523	37,325
Non-Current Liabilities						
Provisions		5,311	6,534	5,311	1,223	1,223
Other non-current liabilities		6,751	6,691	7,877	(60)	(1,185)
Total Non-Current Liabilities		12,062	13,225	13,188	1,164	38
Total Liabilities		59,584	96,270	58,908	36,687	37,363
NET ASSETS		345,113	355,495	321,230	10,383	34,263
EQUITY						
Contributed equity		345,112	311,996	296,689	(33,116)	15,307
Accumulated surplus		-	43,499	24,541	43,499	18,958
TOTAL EQUITY		345,112	355,495	321,230	10,384	34,266

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Significant variances between estimated and actual for 2019

5 Cash and cash equivalents

The higher cash balance in June 2019 against estimate can largely be attributable to the higher payables balance that HSS had at the end of the financial year, along with the transfer of the State Distribution Centre to HSS.

6 Payables

The increase in the balance is caused by the transfer of the State Distribution Centre to HSS on the 1st of August 2019.

Significant variances between actual for 2018 and 2019

d Cash and cash equivalents

Please refer to comment 5 Cash and cash equivalents for further details.

e Payables

Please refer to comment 6 Payables for further details.

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Statement of Cash Flows	Note	2019 Estimates (\$000)	2019 Actual (\$000)	2018 Actual (\$000)	Variance between estimate and actual (\$000)	Variance between actual 2018 and 2019 (\$000)
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriations	7,f	196,017	212,536	218,663	16,519	(6,127)
Contribution from owners		-	2,556	-	2,556	2,556
Funding for capital projects	8,g	-	5,490	-	5,490	5,490
Capital appropriations	9	23,865	15,307	7,315	(8,558)	7,992
Net cash provided by State Government		219,882	235,888	225,978	16,006	9,910
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(110,058)	(105,535)	(108,672)	4,523	3,137
Supplies and services	10	(108,966)	(75,962)	(75,324)	33,004	(638)
Other payments	11		(31,204)	(33,530)	(31,204)	2,326
Receipts						
Other grants and contributions		751	1,487	370	736	1,117
Other receipts	12,h	22,256	36,814	8,813	14,558	28,001
Net cash used in operating activities		(196,017)	(174,400)	(208,343)	21,617	33,943

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Statement of Cash Flows	Note	2019 Estimates (\$000)	2019 Actual (\$000)	2018 Actual (\$000)	Variance between estimate and actual (\$000)	Variance between actual 2018 and 2019 (\$000)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Payment for purchase of non-current physical and intangible assets	13	(23,865)	(24,219)	(7,130)	(354)	(17,089)
Net cash used in investing activities		(23,865)	(24,219)	(7,130)	(354)	(17,089)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of finance lease liabilities		-	-	-	-	-
Net cash used in financing activities		-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents		-	37,268	10,505	37,268	26,763
Cash and cash equivalents at the beginning of the period	5	27,939	27,939	17,434	-	10,505
Cash and cash equivalents at the beginning of the period		27,939	65,207	27,939	37,268	37,268

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Significant variances between estimated and actual for 2019

7 Service appropriations

Please see comment 2 Other revenue for further details.

8 Funding for capital projects

Please see comments in 4 Assets (transferred)/assumed.

9 Capital appropriations

The increase in capital appropriation is largely attributable to new capital works programs, which HSS received funding for in 2018-19 financial year.

10 Supplies and services

The variance between estimate and actual for Supplies and services and Other payments is due to a reclassification of the actuals between the two categories. The total variance for these categories against estimates is \$1.8M.

11 Other payments

Please see comment 10 Supplies and services for further details.

12 Other receipts

HSS has received funds on behalf of the WA Health system for payment in July 2019, this is a result of the State Distribution Centre transfer to HSS on 1st of August 2018.

13 Payment for purchase of non-current physical and intangible assets

The increase in capital appropriation is largely attributable to new capital works programs including HealthNext, which HSS received funding for in 2018-19 financial year.

Notes to the financial statements

For the year ended 30 June 2019

9.10 Explanatory statement (continued)

Significant variances between actual for 2018 and 2019

f Service appropriations

Please see comment 2 Other revenue for further details.

g Funding for capital projects

Please see comments in 4 Assets (transferred)/assumed.

h Other receipts

Please see comment 2 Other revenue for further details.



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