

# 5. HEALTH CLUSTER

## Introduction

The Health cluster works to protect, maintain and improve the health and wellbeing of the residents of New South Wales.

### Contribution to Premier's and State Priorities

The Health cluster is the lead cluster delivering the following Premier's and State Priorities:

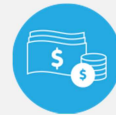
- improving service levels in hospitals: 81 per cent of patients through emergency departments within four hours
- tackling childhood obesity: reduce overweight and obesity rates of children by 5 per cent over ten years
- cutting wait times for planned surgeries: increase on-time admissions for planned surgery, in accordance with medical advice.

The Health cluster also contributes to the delivery of other Premier's Priorities, such as building infrastructure, and State Priorities, including transitioning to the National Disability Insurance Scheme.

### Outcomes and activities

The cluster is responsible for:

- providing health care services to patients in hospitals and the community, as well as via affiliated health and other non-government organisations
- promoting wellness and preventing illness
- developing health care policy and planning
- regulating public and private health care activities
- managing, monitoring and reporting on health system performance
- undertaking and funding medical research
- building healthy communities by working with other parts of the Government.



\$21.7 billion

Recurrent expenses 2017-18



\$1.5 billion<sup>1</sup>

Capital expenditure 2017-18

<sup>1</sup> The total amount of capital investment in 2017-18 will be \$1.7 billion, which will include \$149 million of capital expensing from the Ministry of Health's expense budget.

## 2017-18 Budget highlights

In 2017-18, the Health cluster will spend \$23.2 billion.<sup>2</sup> Key initiatives include:

### Investing in health infrastructure

The Budget invests an additional \$2.8 billion in health infrastructure over the four years to 2020-21. The total investment in Health's capital program in 2017-18 will be almost \$1.7 billion, including \$149 million from the Ministry of Health's expense budget, as part of a total investment of more than \$7.7 billion over four years. This delivers on the remaining 2015 election commitments related to health infrastructure and other new projects, including:

- commencing a major program of capital infrastructure investment including works at Randwick Campus, Campbelltown (including enhanced paediatric services and mental health services), Tweed, Nepean, Maitland, Concord, Shellharbour, Hornsby, Wyong, Wagga Wagga, Coffs Harbour, Goulburn, Mudgee, Sydney Children's Hospital Network Westmead, Inverell and Cooma
- planning for future works at Rouse Hill, Liverpool, St George, Tumut and Griffith Hospitals, and a State-wide Mental Health capital works program
- the next stage of Lismore Base Hospital Redevelopment, a greenfield option for Macksville and the next stage of the Medical Research Infrastructure Initiatives
- contributing towards the expansion of the Albury Base Hospital Emergency Department
- providing five hospital car parks at Campbelltown, Hornsby, Nepean, Shoalhaven, and St George
- additional investment in enhanced eHealth Information Technology projects to deliver improved digital infrastructure for patients and staff across New South Wales.

### Increasing our frontline staff

In 2017-18, New South Wales will achieve the 2015 election commitment of increasing frontline health staff, ahead of schedule, with an investment in over 4,500 additional nurses, midwives, doctors, allied health professionals and hospital support staff.

A further \$12 million is being invested for the third year of the Government's commitment to employ 360 new specialised nursing, midwifery and support positions and to provide extra training positions for medical, allied and oral health. New specific workforce positions include:

- \$9.8 million to recruit an additional 55 specialist nurses/midwives, 10 Mental Health clinical nurse educators for new graduate and undergraduate support and 30 Clinical Support Officers
- \$2.3 million to provide an extra five rural generalist training and 15 medical specialist training positions, as well as extra medical, allied health and oral health scholarships.

### Investing in palliative care services

The Government has committed an additional \$100 million over the next four years to palliative care services. In 2017-18, \$17.4 million has been allocated for the following key initiatives:

- \$6.9 million for community-based palliative care services in Western Sydney Local Health District, including a 24 hour, seven day a week on-call specialist palliative care service at home
- \$5.0 million for an additional 30 palliative care nurses
- \$3.2 million for eight additional palliative care specialists in rural and regional locations

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<sup>2</sup> Expenses are on an uneliminated cluster basis and exclude cluster grants paid.

- \$1.4 million to provide palliative care training and scholarships and to improve medication management for palliative care patients
- \$1.0 million (\$22 million over four years from 2017-18) towards developing and implementing comprehensive and integrated palliative care services, in line with community expectations and need.

### **Delivering better services by the Ambulance Service of NSW**

Additional investment in ambulance emergency services includes:

- \$30 million for the full implementation of the Helicopter Retrieval Network Service, including provision of doctors on every flight with bases operating 24/7 at Newcastle, Tamworth, Orange, Wollongong, Canberra, Lismore and Bankstown, allowing aircraft to respond to emergencies more effectively
- \$10 million to protect the health and wellbeing of NSW Ambulance staff to help paramedics avoid workplace injuries
- \$7.5 million to employ an additional 50 paramedics to assist in reducing fatigue in rural and remote areas
- \$4.0 million to implement the Make Ready Model enabling paramedics to work solely on patient care and non-clinical staff to clean and restock ambulances.

### **Investing in mental health services**

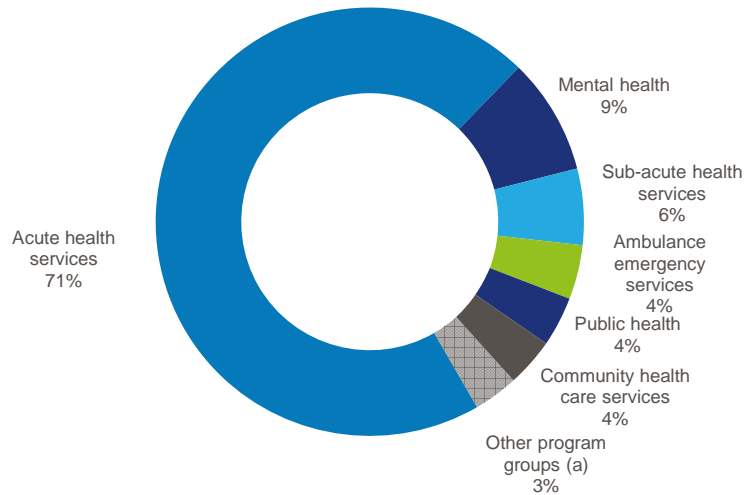
As part of the \$1.9 billion expenditure on mental health services in 2017-18, key initiatives include:

- \$23 million for delivering increased admitted and non-admitted mental health patient services across New South Wales
- \$22.5 million capital investment in mental health infrastructure, including a mental health unit at Port Macquarie and enhancement of services at Campbelltown
- \$20 million increased funding to support furthering the implementation of Living Well: A Strategic Plan for Mental Health Reform in NSW 2014-2024
- \$3.0 million for social investment initiatives to provide NGO support in the community to prevent re-hospitalisation
- \$1.1 million to recruit an additional ten Mental Health clinical health educators as part of the Government's election commitment to employ an additional 360 specialist nursing, midwifery and clinical support positions.

## Overview of cluster expenses

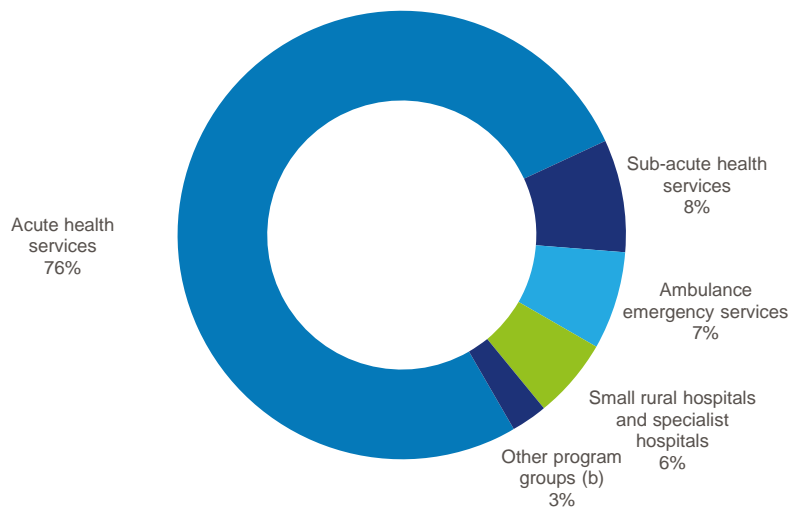
A summary of expenses by program group is provided in the chart below.

Chart 5.1: Total recurrent expenses Health cluster 2017-18 by program group (%)



- (a) Grouped for presentation purposes, "Other program groups" comprises:
- Small rural hospitals and specialist hospitals
  - Health and medical research
  - Independent entities

Chart 5.2: Total capital expenses Health cluster 2017-18 by program group (%)



- (b) Grouped for presentation purposes, "Other program groups" comprises:
- Mental health
  - Health and medical research
  - Community health care services
  - Independent entities
  - Public health

Table 5.1 Health cluster program group expense summary<sup>(a)(b)</sup> (\$m)

	Expenses			Capital Expenditure		
	2016-17 Revised \$m	2017-18 Budget \$m	Var %	2016-17 Revised \$m	2017-18 Budget \$m	Var %
Acute health services .....	14,741.0	15,273.5	3.6	979.6	1,182.3	20.7
Sub-acute health services .....	1,177.3	1,245.9	5.8	109.7	125.3	14.2
Mental health .....	1,812.3	1,898.5	4.8	19.7	22.5	14.4
Small rural hospitals and specialist hospitals .....	605.7	625.9	3.3	78.3	89.3	14.1
Community health care services .....	772.6	792.2	2.5	6.1	7.0	15.3
Public health .....	804.4	814.7	1.3	0.3	0.3	17.4
Health and medical research <sup>(c)</sup> .....	86.5	82.1	(5.1)	27.7	10.0	(63.9)
Ambulance emergency services .....	816.2	892.2	9.3	107.1	109.4	2.1
Independent advisory bodies .....	25.8	26.7	3.4	0.2	0.4	133.3
Domestic violence and sexual assault prevention and support services <sup>(d)</sup> .....	65.8	...	(100.0)	...	...	...
<b>Total<sup>(e)</sup></b>	<b>20,907.7</b>	<b>21,651.6</b>	<b>3.6</b>	<b>1,328.7</b>	<b>1,546.5</b>	<b>16.4</b>
<i>Total excluding the impact of Hepatitis C drug Provision and Domestic and Family Violence grant funding<sup>(e)</sup></i>	<b>20,591.9</b>	<b>21,588.0</b>	<b>4.8</b>			

(a) This table shows expenses on an uneliminated cluster basis and excludes cluster grants paid to the Mental Health Commission and the Health Care Complaints Commission.

(b) From 2017-18, NSW Budget papers are prepared on a program rather than a service basis.

Budget and performance information for some previous service groups have been amalgamated within new program areas e.g. the majority of the service group of Teaching and Research is now part of the Acute Health Services program group; Aboriginal Health Services is now distributed to programs, including Community Health Care Services and Public Health.

In the majority of cases, there is no direct correlation or mapping between previously reported service group statements and the new outcome-based program reporting.

(c) The 2016-17 recurrent expenses budget includes \$6.4 million which was carried forward from 2015-16 having not been used in that year. That \$6.4 million was expended in 2016-17 and is not included in the 2017-18 expenses budget. The movement in capital funding from 2016-17 to 2017-18 reflects the completion of the 2015 Election Commitments on Medical Research Infrastructure. Since 2015-16 Health has delivered a program of medical research initiatives including spending on Paediatric Research, a State Wide Biobank and new infrastructure including Neuroscience Research Australia. The 2017-18 Budget represents the continuation of this up-front investment through the two year \$21 million second phase of the Medical Research Infrastructure Program.

(d) This program group was affected by machinery-of-government changes which took effect on 1 April 2017.

(e) From 1 March 2016, the Commonwealth Government made new highly specialised drugs available for the treatment of non-admitted Hepatitis C patients under the Pharmaceutical Benefits Scheme. Provision of these drugs in outpatient services incurs a cost within the Health budget which is fully recoverable from the Commonwealth Government under the S100 Highly Specialised Drugs arrangements. The cost of providing this treatment in 2016-17 is significantly higher than the expected cost in 2017-18.

In 2016-17, the Health budget also funded a range of domestic and family violence initiatives. This funding was transferred to Family and Community Services in 2017-18.

If the impact of Hepatitis C drug provision and the domestic and family violence machinery-of-government change are excluded, NSW Health's 2017-18 Budget has increased by 4.8 per cent over the prior year's revised expense budget.

## Machinery of government

The Health cluster was affected by machinery-of-government changes set out in the *Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2017*. Under this Order, persons employed in the Ministry of Health who principally provided support for the portfolio responsibilities of the Minister for the Prevention of Domestic Violence and Sexual Assault and the Minister for Women were transferred to the Department of Family and Community Services.

## Cluster Program Group Highlights

### Acute health services

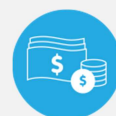
In 2017-18, the cluster will spend \$16.5 billion (\$15,273 million recurrent expenses and \$1,182 million capital) on acute health services.

Acute health services program group include the treatment of patients admitted to a NSW public hospital, attending an emergency department or an outpatient-type clinic. The clinical services provided include medical, surgical, obstetric, diagnostic and therapeutic.

The program group also covers the provision of clinical professional training and the strategic investment in medical research and development to improve the health and wellbeing of the people of New South Wales.

Key initiatives and activities include:

- an extra \$366 million invested in additional acute patient services comprising:
  - \$227 million for growth in inpatient hospital services – providing for an additional 45,900 acute inpatient separations and elective surgery for 3,200 more patients
  - \$103 million for growth in outpatient services – enabling an additional 273,000 non-admitted patient service events
  - \$36 million for growth in emergency care services – allowing for an additional 28,000 emergency department attendances
- \$10 million for the establishment of an Integrated Violence Abuse and Neglect Service in NSW Health, to provide:
  - 24 hour integrated crisis counselling, medical and forensic responses to sexual assault, child abuse and neglect, and domestic and family violence patients presenting to hospital
  - additional psychosocial follow-up support to help facilitate an integrated patient journey which aids patient recovery from trauma in the longer term
- \$8.7 million to recruit an additional 55 specialist nurses/midwives and 30 Clinical Support Officers, as part of the Government's 2015 election commitment to employ an additional 360 specialist nursing, midwifery and clinical support positions
- \$2.3 million to provide an extra five rural generalist training and 15 medical specialist training positions, as well as extra medical, allied health and oral health scholarships.



\$15.3  
billion

Recurrent  
expenses  
2017-18



\$1.2  
billion

Capital  
expenditure  
2017-18

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Acute separations – same day	thous.	736	753	771	777	801
Acute separations – overnight	thous.	829	846	863	863	884
Admissions from elective surgery wait list	thous.	218	219	222	222	225
<b>Elective Surgery Access Performance</b>						
Category 1	%	99.8	99.8	100	100	100
Category 2	%	98	97	≥ 97	≥ 97	≥ 97
Category 3	%	97	96	≥ 97	≥ 97	≥ 97
Acute Admitted Activity Volumes (NWAU) <sup>(a)</sup>	thous.	1,427	1,488	1,577	1,567	1,620
Non-admitted patient service events	thous.	n.a.	13,478	13,667	13,667	13,940
Non-Admitted Patient Activity Volumes (NWAU)	thous.	n.a.	456	452	460	474
Emergency Department (ED) attendances	thous.	2,693	2,734	2,824	2,802	2,830
Attendances admitted (from ED)	thous.	637	663	696	696	724
Emergency Treatment Performance	%	74	74	76	76	78
Transfer of Care	%	83	87	≥ 90	≥ 90	≥ 90
Emergency Department Activity Volumes (NWAU)	thous.	294	316	320	321	329
Interns	no.	985	983	992	992	998
First year resident medical officers	no.	1,027	1,050	1,039	1,070	1,090
Total clinical trials approved for conduct within the NSW Health public health system	no.	326	362	370	370	378
<b>Employees</b>	FTE	76,576	78,262	79,752	80,925	82,741

	2016-17 Revised \$000	2017-18 Budget \$000
<b>Financial indicators</b>		
Total Expenses Excluding Losses <sup>(b)</sup>	14,740,992	15,273,470
Total expenses include the following <sup>(c)</sup> :		
Employee related	8,564,646	8,958,483
Other operating expenses	4,603,208	4,707,740
Grants and subsidies	923,919	922,473
<b>Capital expenditure</b>	<b>979,637</b>	<b>1,182,311</b>

(a) National Weighted Activity Unit (NWAU).

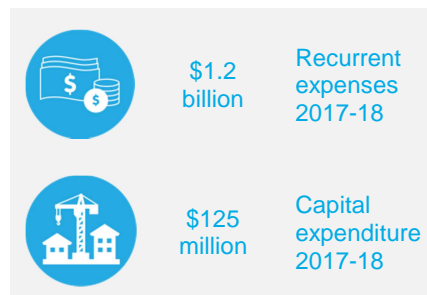
(b) Excluding the impact of S100 Hepatitis C drugs for non-admitted patients, the 2017-18 budget increase for this program group is \$721 million or 5.0 per cent.

(c) Selected expense categories only and may not add to total.

## Sub-acute health services

In 2017-18, the cluster will spend \$1.4 billion (\$1,246 million recurrent expenses and \$125 million capital) on sub-acute health services.

Sub-acute health services program group covers rehabilitation, palliative care, geriatric and psychogeriatric care, aimed at maintaining and/or optimising patients' functioning and quality of life, in public designated facilities and specialist clinics.



In 2017-18, an extra \$69 million is being invested to fund the growth in rehabilitation, palliative care and other sub-acute health services. As part of the Government's commitment to palliative care services, targeted funding of \$17.4 million in 2017-18 has also been allocated towards the following palliative care initiatives:

- \$6.9 million for community-based palliative care services in Western Sydney Local Health District, including a 24 hour, seven day a week on-call specialist palliative care service at home
- \$5.0 million for an additional 30 palliative care nurses providing care in hospitals, homes and nursing homes
- \$2.4 million for an additional six palliative care specialists in rural and regional areas
- \$1.0 million towards developing and implementing comprehensive and integrated palliative care services, in line with community expectations and need
- \$900,000 to provide palliative care training for 300 nurses and allied health staff
- \$795,000 for two specialist positions to provide relief to other specialists in rural and regional areas
- \$300,000 for 300 scholarships for rural and regional staff to enhance palliative care skills
- \$200,000 to improve medication management for palliative care patients through community pharmacy initiatives.

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Sub-Acute Admitted Activity Volume - Rehabilitation (NWAU)	thous.	75.2	81.7	81.4	82.6	83.5
Sub-Acute Admitted Activity Volume - Palliative Care (NWAU)	thous.	22.8	27.7	27.6	28.0	28.3
Sub-Acute Admitted Activity Volume - Other Sub-Acute (NWAU)	thous.	28.1	38.2	38.0	38.6	39.0
<b>Employees</b>	FTE	7,063	7,218	7,356	7,464	7,663

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses	1,177,308	1,245,923
Total expenses include the following <sup>(a)</sup> :		
Employee related	710,961	742,568
Other operating expenses	350,856	376,403
Grants and subsidies	75,281	82,841
<b>Capital expenditure</b>	<b>109,736</b>	<b>125,324</b>

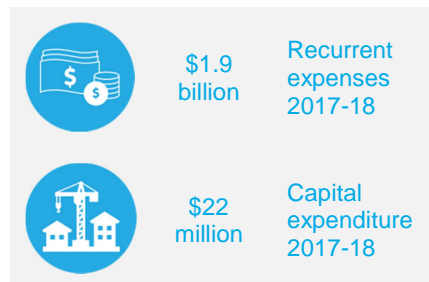
(a) Selected expense categories only and may not add to total.



## Mental health

In 2017-18, the cluster will spend \$1.9 billion (\$1,898 million recurrent expenses and \$22 million capital) on mental health.

Mental health program group delivers an integrated and comprehensive network of services by Local Health Districts and community-based organisations for people seriously affected by mental illnesses and mental health problems. It also covers the development of preventative programs that meet the needs of specific client groups.



In 2017-18, an extra \$87 million is being invested in mental health services. Key initiatives and activities include:

- an additional \$23 million for delivering increased admitted and non-admitted mental health patient services across New South Wales
- an additional \$20 million to support the ongoing implementation of Living Well: A Strategic Plan for Mental Health Reform in NSW 2014-2024, including:
  - \$8.2 million to increase specialist community mental health teams
  - \$5.4 million to fund other mental health initiatives, including investing in the workforce, community living supports, and a wellbeing framework
  - \$4.8 million to enhance psychosocial supports in the community
  - \$1.6 million to continue transitioning long stay patients to appropriate community accommodation
- \$3.0 million for social investment initiatives in mental health to provide non-government organisation support in the community to prevent re-hospitalisation
- \$1.1 million to recruit an additional ten Mental Health clinical nurse educators for new graduate and undergraduate support as part of the Government's 2015 election commitment to employ an additional 360 specialist nursing, midwifery and clinical support positions.

Performance information <sup>(a)</sup>	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Acute mental health service overnight separations	thous.	35	36	37	37	38
Pathways to Community Living	no.	n.a.	58	105	105	135
Mental Health: Acute Post Discharge	%	63	63	≥ 70	≥ 70	≥ 70
Community Care Mental Health Acute Seclusion rate (per 1,000 bed days)	no.	8.6	9.1	< 6.8	< 6.8	< 6.8
Mental Health Admitted (Acute & Sub-Acute) Activity Volume (NWAU)	thous.	150	159	173	173	173
Mental Health Non-Admitted Activity Volumes (NWAU)	thous.	n.a.	n.a.	133	133	138
<b>Employees</b>	FTE	11,207	11,453	11,671	11,843	12,003

	2016-17 Revised \$000	2017-18 Budget \$000
<b>Financial indicators</b>		
Total Expenses Excluding Losses	1,812,300	1,898,457
Total expenses include the following <sup>(b)</sup> :		
Employee related	1,247,983	1,294,433
Other operating expenses	342,018	350,159
Grants and subsidies	164,785	195,646
<b>Capital expenditure</b>	<b>19,662</b>	<b>22,486</b>

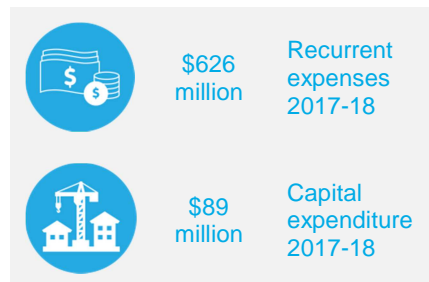
(a) Performance measures evolve over time. n.a. indicates that historical data is not available for a performance measure established or modified in a later year.

(b) Selected expense categories only and may not add to total.

## Small rural hospitals and specialist hospitals

In 2017-18, the cluster will spend \$715 million (\$626 million recurrent expenses and \$89 million capital) on small rural hospitals and specialist hospitals.<sup>3</sup>

This program group covers services from 126 small rural and specialist hospitals and facilities. These hospitals typically deliver multipurpose services that may include inpatient, emergency, community health and residential aged care services for rural patients closer to home. Specialist hospitals include The Forensic Hospital at Malabar and two dental hospitals at Sydney and Westmead.



Key initiatives and activities include:

- an additional \$21 million investment to maintain service delivery from small rural and specialist hospitals. This includes \$2 million to enhance security provision for high risk forensic and civil patients at The Forensic Hospital
- \$89 million capital funding has been allocated towards rural infrastructure, including \$60 million towards the continued planning and construction of multipurpose services at Barham, Bonalbo, Braidwood, Coolah, Cobar, Culcairn, Tumbaramba, Molong, Rylstone and Tocomwal, as well as planning for future sites and new works.

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Overnight occupancy rate	%	72	74	74	74	74
<b>Employees</b>	FTE	3,852	3,936	4,011	4,070	4,206

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses	605,741	625,868
Total expenses include the following <sup>(a)</sup> :		
Employee related	372,701	394,549
Other operating expenses	193,319	188,453
Grants and subsidies	372	737
<b>Capital expenditure</b>	<b>78,250</b>	<b>89,291</b>

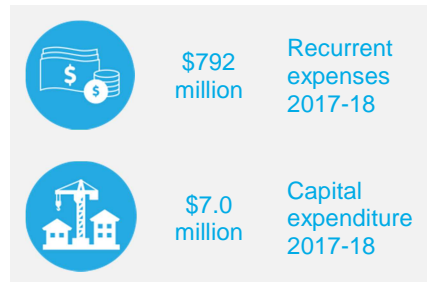
(a) Selected expense categories only and may not add to total.

<sup>3</sup> Small rural hospitals included in this program group are those which have annual activity volumes of less than 3,500 NWAU.

## Community health care services

In 2017-18, the cluster will spend \$799 million (\$792 million recurrent expenses and \$7.0 million capital) on community health care services.

The community health care services program group includes health services for persons attending community health centres, services delivered in the home, oral health and targeted community drug and alcohol services.



In 2017-18, an extra \$19 million is being invested in community health care services. Key initiatives and activities include:

- \$6.7 million, bringing the total to \$14.4 million annual funding, as part of the Government's commitment to invest \$75 million over four years to tackle alcohol and drug misuse in communities to:
  - help more young people by intervening early and addressing drug addiction
  - provide additional support and treatment for pregnant women
  - help more people into treatment by expanding community treatment and aftercare
- \$10 million additional funding towards delivering increased dental services, enabling around 17,000 more patients to receive a course of dental care.

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Hospital in the Home episodes	thous.	18	18	18	19	20
Opioid Treatment Program clients	thous.	20	20	20	20	21
Dental Non-Admitted Activity Volume (DWAU)	thous.	n.a.	359	345	374	386
<b>Employees</b>	FTE	4,968	5,078	5,174	5,250	5,270

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses	772,641	792,224
Total expenses include the following <sup>(a)</sup> :		
Employee related	557,117	573,931
Other operating expenses	184,758	180,608
Grants and subsidies	16,111	22,808
<b>Capital expenditure</b>	<b>6,111</b>	<b>7,046</b>

(a) Selected expense categories only and may not add to total.

## Public health

In 2017-18, the cluster will spend \$815 million (\$815 million recurrent and \$312,000 capital) on public health.

Public health program group includes services related to:

- protective health – services targeted at broad population groups including environmental health promotion and regulations, immunisation strategies, tobacco control, food and poisons regulation and monitoring of communicable diseases
- preventative health – services targeting prevention initiatives that reduce lifestyle-related risk factors that can result in chronic disease and unnecessary hospitalisation, including the healthy children initiative and get healthy programs.



Key initiatives and activities include:

- \$4.5 million for meningococcal W vaccinations of Year 11 and 12 students, in response to increasing numbers of notifications of this meningococcal strain in Australia
- \$3.0 million for childhood obesity programs to support health professionals to work with families to manage unhealthy weight, to increase activities in family day care and supported play groups, and to help parents establish a healthy lifestyle for their children in their early years.

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Breast Screen Participation Rate (50-69 age group)	%	50.8	52.1	53	53	55
Human papillomavirus vaccine rate	%	80.3	79.2	80	80	80
HIV testing: HIV testing in public sexual health clinics	thous.	39	51	61	61	71
Get Healthy Information and Coaching Service – Health Professional Referrals	no.	n.a.	2,711	5,073	5,073	7,824
Healthy Children Initiative – Targeted Family Healthy Eating and Physical Activity Program – Enrolments	no.	1,811	1,647	1,654	1,654	1,712
Comprehensive antenatal visits for Aboriginal pregnant women before 14 weeks gestation	%	54	55	56	56	56.5
<b>Employees</b>	FTE	3,894	3,979	4,055	4,115	4,135

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses <sup>(a)</sup>	804,400	814,672
Total expenses include the following <sup>(b)</sup> :		
Employee related	419,065	433,314
Other operating expenses	283,425	278,950
Grants and subsidies	60,444	60,928
<b>Capital expenditure</b>	<b>266</b>	<b>312</b>

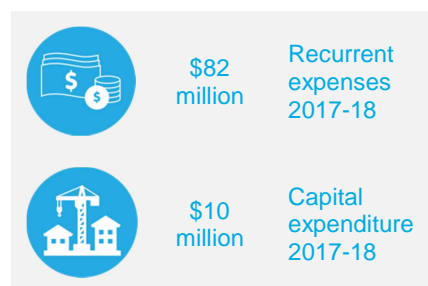
(a) The 2016-17 Budget included once-off additional funding of \$16 million for targeted vaccine services funded under the Commonwealth National Partnership Agreement. Excluding this once-off funding, the program increase is \$24.7 million or 3.1 per cent.

(b) Selected expense categories only and may not add to total.

## Health and medical research

In 2017-18, the cluster will spend \$92 million (\$82 million recurrent expenses and \$10 million capital) on health and medical research.

This program group, delivered through the Office of Health and Medical Research, includes initiatives aimed at building health and medical research capability and capacity across the state, as well as providing support for New South Wales organisations reaching commercial market scale as New South Wales based enterprises.



Key initiatives and activities include:

- \$44.5 million to support independent medical research institutes
- \$10 million to support research by frontline health clinicians, including the Translational Research Grants Scheme and support for cannabis research
- \$10 million capital grants for research institutions as part of a \$21 million two year investment in Medical Research Infrastructure Initiatives
- \$9.8 million for the Medical Devices Fund and commercialisation initiatives
- \$6.0 million to support genomic research
- \$2.5 million for PhD and post-doctorate fellowships to support and retain early and mid-career researchers.

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Ethics Applications involving more than low risk to participants approved within 60 calendar days	no.	n.a.	n.a.	≥ 90	≥ 90	≥ 95
Site specific applications involving more than low risk to participants authorised within 30 calendar days	no.	n.a.	n.a.	≥ 90	≥ 90	≥ 95
<b>Employees</b>	FTE	15	16	16	16	16

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses <sup>(a)</sup>	86,521	82,102
Total expenses include the following <sup>(b)</sup> :		
Employee related	2,118	2,188
Other operating expenses	18,359	12,219
Grants and subsidies	66,043	67,694
<b>Capital expenditure <sup>(c)</sup></b>	<b>27,720</b>	<b>10,000</b>

(a) The 2016-17 recurrent expenses budget includes a once-off deferred expenditure of \$6.35 million which was fully committed and expended in that financial year. This expenditure is not included in the 2017-18 expenses budget, which reflects the base funding for this program.

(b) Selected expense categories only and may not add to total.

(c) The movement in capital funding from 2016-17 to 2017-18 reflects the completion of the 2015 Election Commitments on Medical Research Infrastructure. Since 2015-16 Health has delivered a program of medical research initiatives including spending on Paediatric Research, a State Wide Biobank and new infrastructure including Neuroscience Research Australia. The 2017-18 Budget represents the continuation of this up-front investment through the two year \$21 million second phase of the Medical Research Infrastructure Program.

## Ambulance emergency services

In 2017-18, the cluster will spend \$1.0 billion (\$892 million recurrent expenses and \$109 million capital) on ambulance emergency services.

Ambulance emergency services program group includes high quality clinical care and emergency road, rotary and fixed air wing patient and transport services provided by the Ambulance Service of NSW. Non-emergency patient transports in the metropolitan area are excluded.



In 2017-18, an extra \$74 million is being invested in ambulance emergency services.

Key initiatives and activities include:

- \$30 million for the enhanced Helicopter Retrieval Network Service, which commenced in January 2017, including provision of doctors on every flight from bases operating 24/7 at Newcastle, Tamworth, Orange, Wollongong, Canberra, Lismore and Bankstown and a fleet of 12 new helicopters. The new Network enables aircraft to respond to emergencies more effectively
- \$10 million to protect the health and wellbeing of NSW Ambulance staff to help paramedics avoid workplace injuries and to ensure that injured workers are provided the support required to get them back to work. In addition, income protection for NSW paramedics injured at work will be extended from two to five years
- \$7.5 million to employ 50 additional paramedics to assist in reducing fatigue in rural and remote areas
- \$4.0 million to implement the Make Ready Model as part of the Sydney Ambulance Metropolitan Infrastructure Strategy, enabling paramedics to work solely on patient care and non-clinical staff to clean and restock ambulances.

Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Emergency road transport cases	thous	551	541	541	541	548
Make Ready Time ≤ 20 minutes	%	86.4	84.3	90	90	90
Response Times: 50th percentile 1A NSW <sup>(a)</sup>	min.	7.7	7.57	10	8	10
<b>Employees</b>	FTE	4,599	4,700	4,790	4,860	4,910

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses	816,241	892,237
Total expenses include the following <sup>(b)</sup> :		
Employee related	559,724	583,691
Other operating expenses	235,806	284,558
Grants and subsidies	1,604	1,647
<b>Capital expenditure</b>	<b>107,145</b>	<b>109,429</b>

(a) The national target is 10 minutes. NSW Ambulance Service has consistently performed better than the national target, at around 8 minutes.

(b) Selected expense categories only and may not add to total.

## Independent advisory bodies

In 2017-18, independent advisory bodies in the Health cluster will spend \$27 million (\$27 million recurrent and \$350,000 capital).

This program covers the provision of services by Health cluster grant funded agencies:

- Health Care Complaints Commission – responsible for processing, assessing and resolving health care complaints through assisted resolution, facilitated conciliation or referral for investigation and also investigates and prosecutes any serious cases of inappropriate health care, making recommendations to health organisations to address any systemic health care issues
- Mental Health Commission – responsible for monitoring, reviewing and improving the mental health system, working with Government and community to secure better mental health for everyone, help prevent mental illness and ensure appropriate support is available close to home.

Key initiatives and activities include:

- an additional \$712,000 is being allocated to further improve health care complaints handling, including provision for the recruitment of an additional six staff by the Health Care Complaints Commission.



Performance information	Units	2014-15 Actual	2015-16 Actual	2016-17 Forecast	2016-17 Revised	2017-18 Forecast
Complaints received	no.	5,266	6,075	6,600	6,300	6,900
Complaints assessed within 60 days <sup>(a)</sup>	%	92.7	85.8	92	70	80
Investigations completed	no.	194	244	245	310	330
Disciplinary or appeal cases run	no.	82	94	100	90	100
Community consultations	no.	30	20	20	20	20
Manage grants	no.	4	4	4	4	4
<b>Employees</b>	FTE	107	108	112	108	119

Financial indicators	2016-17 Revised \$000	2017-18 Budget \$000
Total Expenses Excluding Losses	25,829	26,695
Total expenses include the following <sup>(b)</sup> :		
Employee related	14,653	15,044
Other operating expenses	6,757	7,348
<b>Capital expenditure</b>	<b>150</b>	<b>350</b>

(a) Reduction in the per cent of complaints assessed within 60 days is due to a significant increase in both the volume and complexity of complaints received over recent years. Staff increases funded in 2017-18 will help to address this.

(b) Selected expense categories only and may not add to total.



## Agency Expense Summary

The 2017-18 Budget for the Ministry of Health (and other agencies within the cluster) is listed in the table below.

In 2017-18, the Ministry of Health will spend \$23.2 billion (\$21.7 billion recurrent expenses and \$1.5 billion capital).

Health cluster <sup>(a)</sup>	Expenses			Capital Expenditure		
	2016-17 Revised \$m	2017-18 Budget \$m	Var %	2016-17 Revised \$m	2017-18 Budget \$m	Var %
<b>Ministry of Health</b>						
Acute health services .....	14,741.0	15,273.5	3.6	979.6	1,182.3	20.7
Sub-acute health services .....	1,177.3	1,245.9	5.8	109.7	125.3	14.2
Mental health .....	1,812.3	1,898.5	4.8	19.7	22.5	14.4
Small rural hospitals and specialist hospitals ..	605.7	625.9	3.3	78.3	89.3	14.1
Community health care services .....	772.6	792.2	2.5	6.1	7.0	15.3
Public health .....	804.4	814.7	1.3	0.3	0.3	17.4
Health and medical research <sup>(b)</sup> .....	86.5	82.1	(5.1)	27.7	10.0	(63.9)
Ambulance emergency services .....	816.2	892.2	9.3	107.1	109.4	2.1
Domestic and family violence, sexual assault services and women policy <sup>(c)</sup> .....	65.8	...	N/A	...	...	...
Cluster grants and other adjustments <sup>(d)</sup> .....	24.4	25.9	6.4			
<b>Total <sup>(e)</sup></b>	<b>20,906.2</b>	<b>21,650.9</b>	<b>3.6</b>	<b>1,328.5</b>	<b>1,546.2</b>	<b>16.4</b>
<i>Total excluding the impact of Hepatitis C drug Provision and Domestic and Family Violence grant funding <sup>(e)</sup></i>	<b>20,590.4</b>	<b>21,587.3</b>	<b>4.8</b>			
<b>Health Care Complaints Commission</b>						
Independent advisory bodies .....	14.9	15.6	4.7	0.1	0.3	400.0
<b>Total</b>	<b>14.9</b>	<b>15.6</b>	<b>4.7</b>	<b>0.1</b>	<b>0.3</b>	<b>400.0</b>
<b>Mental Health Commission of New South Wales</b>						
Independent advisory bodies .....	10.9	11.1	1.5	0.1	0.0	(70.6)
<b>Total</b>	<b>10.9</b>	<b>11.1</b>	<b>1.5</b>	<b>0.1</b>	<b>0.0</b>	<b>(70.6)</b>

(a) Agency expenses are uneliminated.

(b) The 2016-17 recurrent expenses budget includes \$6.4 million which was carried forward from 2015-16 having not been used in that year. That \$6.4 million was expended in 2016-17 and is not included in the 2017-18 expenses budget. The movement in capital funding from 2016-17 to 2017-18 reflects the completion of the 2015 Election Commitments on Medical Research Infrastructure. Since 2015-16 Health has delivered a program of medical research initiatives including spending on Paediatric Research, a State Wide Biobank and new infrastructure including Neuroscience Research Australia. The 2017-18 Budget represents the continuation of this up-front investment through the two year \$21 million second phase of the Medical Research Infrastructure Program.

(c) The Health cluster was affected by machinery-of-government changes. Variance in expense between 2016-17 Revised and 2017-18 Budget is not applicable.

(d) Total expenses are based on AASB 101 and include cluster grants and some other expenses treated as gains and losses in AASB 1049 that are not attributed to program groups.

(e) From 1 March 2016, the Commonwealth Government made new highly specialised drugs available for the treatment of non-admitted Hepatitis C patients under the Pharmaceutical Benefits Scheme. Provision of these drugs in outpatient services incurs a cost within the Health budget which is fully recoverable from the Commonwealth Government under the S100 Highly Specialised Drugs arrangements. The cost of providing this treatment in 2016-17 is significantly higher than the expected cost in 2017-18.

In 2016-17, the Health budget also funded a range of domestic and family violence initiatives. This funding was transferred to Family and Community Services in 2017-18.

If the impact of Hepatitis C drug provision and the domestic and family violence machinery-of-government change are excluded, NSW Health's 2017-18 Budget has increased by 4.8 per cent over the prior year's revised expense budget.

## Financial Statements

### Ministry of Health

#### Operating Statement

	2016-17		2017-18
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Expenses Excluding Losses</b>			
Operating Expenses -			
Employee related	12,419,566	12,435,966	12,983,157
Other operating expenses	6,051,456	6,213,814	6,379,090
Grants and subsidies	1,444,335	1,394,947	1,380,678
Appropriation Expense	...	...	...
Depreciation and amortisation	731,365	756,148	803,028
Finance costs	105,375	105,375	104,904
Other expenses	...	...	...
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>20,752,097</b>	<b>20,906,250</b>	<b>21,650,857</b>
<b>Revenue</b>			
Appropriation	11,794,455	11,705,694	12,179,464
Cluster Grant Revenue	...	...	...
Acceptance by Crown Entity of employee benefits and other liabilities	391,705	342,104	355,613
Transfers to the Crown Entity	...	...	...
Sales of goods and services	2,768,029	2,847,560	2,808,291
Grants and contributions	6,149,598	6,177,462	6,603,620
Investment Revenue	39,192	39,614	39,630
Retained Taxes, Fees and Fines	...	...	...
Other revenue	174,834	183,834	173,410
<b>Total Revenue</b>	<b>21,317,813</b>	<b>21,296,267</b>	<b>22,160,027</b>
Gain/(loss) on disposal of non-current assets	155,000	155,000	1,800
Other gains/(losses)	(10,283)	(10,283)	(10,283)
<b>Net Result</b>	<b>710,433</b>	<b>534,734</b>	<b>500,687</b>

## Balance Sheet

	2016-17		2017-18
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	1,279,232	1,420,408	1,272,934
Receivables	659,999	716,412	700,568
Inventories	148,200	182,418	157,888
Financial Assets at Fair Value	25,545	20,118	19,928
Other Financial Assets	...	...	...
Other	...	...	...
Assets Held For Sale	...	4,290	4,290
<b>Total Current Assets</b>	<b>2,112,976</b>	<b>2,343,646</b>	<b>2,155,608</b>
<b>Non Current Assets</b>			
Receivables	11,791	12,937	10,707
Inventories	...	...	...
Financial Assets at Fair Value	51,675	55,882	47,582
Equity Investments	...	...	...
Property, plant and equipment -			
Land and building	13,987,141	13,759,574	15,102,383
Plant and equipment	981,337	1,035,599	1,095,774
Infrastructure Systems	315,684	360,622	339,306
Investment Properties	...	...	...
Intangibles	658,619	629,148	669,068
Other Assets	56,604	56,696	61,937
<b>Total Non Current Assets</b>	<b>16,062,851</b>	<b>15,910,459</b>	<b>17,326,758</b>
<b>Total Assets</b>	<b>18,175,827</b>	<b>18,254,104</b>	<b>19,482,365</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	1,460,271	1,410,435	1,425,226
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	37,461	24,225	24,303
Provisions	1,740,484	1,856,389	1,881,522
Other	39,971	39,429	39,429
Liabilities associated with assets held for sale	...	...	...
<b>Total Current Liabilities</b>	<b>3,278,187</b>	<b>3,330,478</b>	<b>3,370,480</b>
<b>Non Current Liabilities</b>			
Payables	...	...	...
Other financial liabilities at fair value	...	...	...
Borrowings	1,025,412	1,072,512	1,052,916
Provisions	37,231	42,812	46,157
Other	105,148	95,552	105,957
<b>Total Non Current Liabilities</b>	<b>1,167,791</b>	<b>1,210,876</b>	<b>1,205,030</b>
<b>Total Liabilities</b>	<b>4,445,978</b>	<b>4,541,354</b>	<b>4,575,510</b>
<b>Net Assets</b>	<b>13,729,849</b>	<b>13,712,750</b>	<b>14,906,855</b>
<b>Equity</b>			
Accumulated funds	9,498,980	9,461,548	9,962,235
Reserves	4,230,869	4,251,202	4,944,620
Capital Equity	...	...	...
<b>Total Equity</b>	<b>13,729,849</b>	<b>13,712,750</b>	<b>14,906,855</b>

## Health Care Complaints Commission

### Operating Statement

	2016-17		2017-18
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Expenses Excluding Losses</b>			
Operating Expenses -			
Employee related	10,154	10,288	10,208
Other operating expenses	3,627	4,406	5,162
Grants and subsidies	...	...	...
Appropriation Expense	...	...	...
Depreciation and amortisation	145	225	247
Finance costs	...	...	...
Other expenses	...	...	...
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>13,926</b>	<b>14,919</b>	<b>15,617</b>
<b>Revenue</b>			
Appropriation	...	...	...
Cluster Grant Revenue	13,191	13,829	13,829
Acceptance by Crown Entity of employee benefits and other liabilities	268	322	289
Transfers to the Crown Entity	...	...	...
Sales of goods and services	...	...	...
Grants and contributions	...	...	1,130
Investment Revenue	...	...	...
Retained Taxes, Fees and Fines	...	...	...
Other revenue	385	630	450
<b>Total Revenue</b>	<b>13,844</b>	<b>14,781</b>	<b>15,698</b>
Gain/(loss) on disposal of non-current assets	...	...	...
Other gains/(losses)	...	...	...
<b>Net Result</b>	<b>(82)</b>	<b>(138)</b>	<b>81</b>

## Balance Sheet

	2016-17		2017-18
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	368	382	261
Receivables	215	356	356
Inventories	...	...	...
Financial Assets at Fair Value	...	...	...
Other Financial Assets	...	...	...
Other	...	...	...
Assets Held For Sale	...	...	...
<b>Total Current Assets</b>	<b>583</b>	<b>738</b>	<b>617</b>
<b>Non Current Assets</b>			
Receivables	...	211	211
Inventories	...	...	...
Financial Assets at Fair Value	...	...	...
Equity Investments	...	...	...
Property, plant and equipment -			
Land and building	59	24	76
Plant and equipment	192	193	86
Infrastructure Systems	...	...	...
Investment Properties	...	...	...
Intangibles	34	10	143
Other Assets	...	...	...
<b>Total Non Current Assets</b>	<b>285</b>	<b>438</b>	<b>516</b>
<b>Total Assets</b>	<b>868</b>	<b>1,176</b>	<b>1,133</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	243	508	383
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	...	...	...
Provisions	787	820	820
Other	...	...	...
Liabilities associated with assets held for sale	...	...	...
<b>Total Current Liabilities</b>	<b>1,030</b>	<b>1,328</b>	<b>1,203</b>
<b>Non Current Liabilities</b>			
Payables	...	...	...
Other financial liabilities at fair value	...	...	...
Borrowings	...	...	...
Provisions	333	352	353
Other	...	...	...
<b>Total Non Current Liabilities</b>	<b>333</b>	<b>352</b>	<b>353</b>
<b>Total Liabilities</b>	<b>1,363</b>	<b>1,680</b>	<b>1,556</b>
<b>Net Assets</b>	<b>(495)</b>	<b>(504)</b>	<b>(423)</b>
<b>Equity</b>			
Accumulated funds	(495)	(504)	(423)
Reserves	...	...	...
Capital Equity	...	...	...
<b>Total Equity</b>	<b>(495)</b>	<b>(504)</b>	<b>(423)</b>

## Mental Health Commission of New South Wales

### Operating Statement

	2016-17		2017-18
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Expenses Excluding Losses</b>			
Operating Expenses -			
Employee related	4,470	4,365	4,836
Other operating expenses	1,963	2,351	2,186
Grants and subsidies	4,092	4,000	3,975
Appropriation Expense	...	...	...
Depreciation and amortisation	186	194	81
Finance costs	...	...	...
Other expenses	...	...	...
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>10,711</b>	<b>10,910</b>	<b>11,078</b>
<b>Revenue</b>			
Appropriation	...	...	...
Cluster Grant Revenue	10,525	10,525	10,525
Acceptance by Crown Entity of employee benefits and other liabilities	25	65	50
Transfers to the Crown Entity	...	...	...
Sales of goods and services	...	...	...
Grants and contributions	...	...	420
Investment Revenue	...	...	...
Retained Taxes, Fees and Fines	...	...	...
Other revenue	...	260	...
<b>Total Revenue</b>	<b>10,550</b>	<b>10,850</b>	<b>10,995</b>
Gain/(loss) on disposal of non-current assets	...	...	...
Other gains/(losses)	...	...	...
<b>Net Result</b>	<b>(161)</b>	<b>(60)</b>	<b>(83)</b>

## Balance Sheet

	2016-17		2017-18
	Budget	Revised	Budget
	\$000	\$000	\$000
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	255	257	253
Receivables	166	278	278
Inventories	...	...	...
Financial Assets at Fair Value	...	...	...
Other Financial Assets	...	...	...
Other	...	...	...
Assets Held For Sale	...	...	...
<b>Total Current Assets</b>	<b>421</b>	<b>535</b>	<b>531</b>
<b>Non Current Assets</b>			
Receivables	...	...	...
Inventories	...	...	...
Financial Assets at Fair Value	...	...	...
Equity Investments	...	...	...
Property, plant and equipment -			
Land and building	...	...	...
Plant and equipment	22	47	20
Infrastructure Systems	...	...	...
Investment Properties	...	...	...
Intangibles	89	124	95
Other Assets	...	...	...
<b>Total Non Current Assets</b>	<b>111</b>	<b>171</b>	<b>115</b>
<b>Total Assets</b>	<b>532</b>	<b>706</b>	<b>646</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	1,078	966	989
Other Financial Liabilities at Fair Value	...	...	...
Borrowings	...	...	...
Provisions	256	428	428
Other	...	...	...
Liabilities associated with assets held for sale	...	...	...
<b>Total Current Liabilities</b>	<b>1,334</b>	<b>1,394</b>	<b>1,417</b>
<b>Non Current Liabilities</b>			
Payables	...	...	...
Other financial liabilities at fair value	...	...	...
Borrowings	...	...	...
Provisions	127	4	4
Other	...	...	...
<b>Total Non Current Liabilities</b>	<b>127</b>	<b>4</b>	<b>4</b>
<b>Total Liabilities</b>	<b>1,461</b>	<b>1,398</b>	<b>1,421</b>
<b>Net Assets</b>	<b>(929)</b>	<b>(692)</b>	<b>(775)</b>
<b>Equity</b>			
Accumulated funds	(929)	(692)	(775)
Reserves	...	...	...
Capital Equity	...	...	...
<b>Total Equity</b>	<b>(929)</b>	<b>(692)</b>	<b>(775)</b>