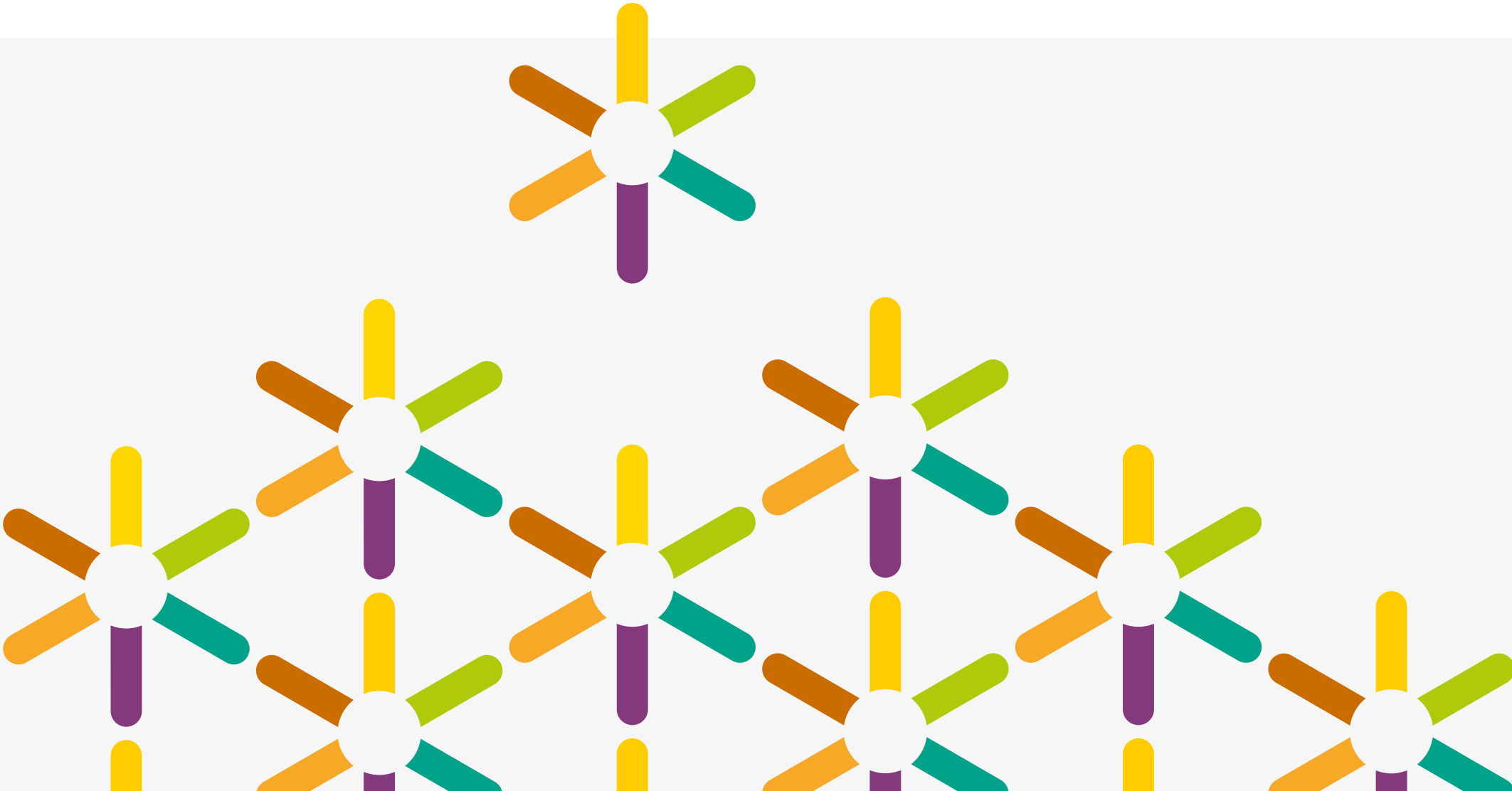
Government of **Western Australia**
Mental Health Commission

We're working for Western Australia.

Mental Health Commission

Annual Report 2019-20



Statement of Compliance

The Hon. Roger Cook MLA
DEPUTY PREMIER;
MINISTER FOR HEALTH;
MENTAL HEALTH

Dear Minister,

In accordance with section 63 of the Financial Management Act 2006, I hereby submit for your information and presentation to Parliament, the annual report of the Mental Health Commission for the financial year ended 30 June 2020.

The annual report has been prepared in accordance with the provisions of the Financial Management Act 2006.

Jennifer McGrath
ACTING COMMISSIONER
MENTAL HEALTH COMMISSION

16 September 2020

This annual report provides a review of the Mental Health Commission's (hereby referred to as the Commission) operations for the financial year ended 30 June 2020.

The term Aboriginal is used respectfully throughout this report to include both Aboriginal and Torres Strait Islander peoples. The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders past and present.

A full copy of this, and earlier annual reports, is available from the Commission's website at www.mhc.wa.gov.au

This annual report can also be made available in alternative formats upon request for those with visual or other impairments, including Word, audio, large print and Braille.

ISSN 2208-4347

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Commissioner's Foreword

Jennifer McGrath
Acting Mental Health Commissioner

During 2019-20, the Mental Health Commission re-set its approach to leading the mental health, alcohol and other drug (AOD) sector; continued critical projects to support reform; and played its part in responding to the COVID-19 pandemic in Western Australia.

In March, the Minister for Mental Health released the *WA State Priorities Mental Health, Alcohol and Other Drugs 2020-2024*, outlining the direction for the sector and immediate priorities for reform. These will provide vital guidance and focus for the sector over the next four years.

This followed the release of the *Review of the Clinical Governance of Public Mental Health Services in Western Australia,* which resulted in the creation of a new Chief Medical Officer, Mental Health position, and the Mental Health Executive Committee. The Minister highlighted the Commission's role in leading system transformation, working across the diverse range of services and stakeholder groups to drive reform.

As part of this new governance model for the sector, a new Community Mental Health, Alcohol and Other Drug Council has been established to complement the work of the Mental Health Executive Committee, and in recognition of the important role of community mental health and AOD services.

The Commission developed a new operating model during the first half of 2020 to ensure it was best placed to provide this leadership across the sector and develop more collaborative and effective ways of working. This new model is currently being implemented and will ensure the Commission is equipped to work with our partners and stakeholders to facilitate improvements that will result in improved consumer outcomes.

The emergence of COVID-19 early in 2020 required us to adapt our operations and provide additional support to service providers and Commission employees. The impact of the pandemic put mental health and AOD issues front of mind, and agencies worked together to ensure service provision was maintained to support the community.

Commissioner's Foreword

In June, *A Safe Place - a Western Australian strategy to provide safe and stable accommodation and support to people experiencing mental health, alcohol and other drug issues 2020-2025* was released together with two key new projects that will help reduce bed blockage in the hospital system and provide support to consumers in need, a new youth homelessness service for people with mental health and AOD issues and an adult community care unit for high level support and rehabilitation services. Extensive work was also undertaken to develop an enhanced Suicide Prevention Framework for Western Australia.

Throughout this period of change, we continued to support more than 100 non-government organisations (NGOs) and the five Health Service Providers, working with the Departments of Health, Justice, Education, WA Police and others to progress key strategies and initiatives, while continuing to deliver services at Next Step Drug and Alcohol Services, the Alcohol and Drug Support Service and more.

I thank everyone who has collaborated with the Commission throughout the year - our employees, service providers, peak bodies, consumers, carers, families and other government agencies, who continue to work tirelessly to support the community. Together, we delivered a united response to the COVID-19 pandemic and I am sure we will continue to do so, as we work towards achieving a more balanced, effective and efficient mental health and AOD system in 2020-21.

Jennifer McGrath
Acting Mental Health Commissioner

Overview

Operational Structure

The Mental Health Commission was established by the Governor in Executive Council under section 35 of the Public Sector Management Act 1994.

The Commission is responsible to the Minister for Mental Health, the Hon. Roger Cook MLA, and is the government agency primarily assisting him in the administration of the Mental Health portfolio, including the administration of the Mental Health Act 2014 and the Alcohol and Other Drugs Act 1974.

Our vision

A Western Australian community that experiences minimal alcohol and other drug-related harms and optimal mental health.

The accountable authority of the Commission is the Acting Mental Health Commissioner, Ms Jennifer McGrath, who was supported in 2019-20 by four divisions:

- Planning, Policy and Strategy
- Alcohol, Other Drug and Prevention Services
- Purchasing, Performance and Service Development
- Corporate Services

The Commission also provides support to three independent bodies, the Mental Health Advocacy Service, the Mental Health Tribunal and the Office of the Chief Psychiatrist. They operate independently but are provided with corporate services support by the Commission.

Senior Officers

- **Jennifer McGrath**,
  Acting Mental Health Commissioner
- **David Axworthy**,
  Assistant Commissioner,
  Planning, Policy and Strategy
- **Sue Jones**,
  Assistant Commissioner,
  Alcohol, Other Drug and Prevention Services
- **Elaine Paterson**,
  Assistant Commissioner,
  Purchasing, Performance and Service Development
- **Alex Watt**,
  Director,
  Corporate Services

Government of Western Australia
Mental Health Commission

Mental Health Commission Organisational Structure

We're working for Western Australia.

Internal Audit and Risk Management

- Monitors the activities of the Commision to ensure compliance with organisational, government, legal and best practice requirements.
- Assist Directorates to manage risk mitigation and improve organisational performance reporting on key projects and operational deliverables.

Mental Health Commissioner

Executive Services

- Provides advice, executive and admin support to the Commissioner, liaises with the Minister's Office and external stakeholders on behalf of the Commissioner.

Director Corporate Services

- Responsible for ensuring an effective corporate governance framework and business practices are in place to support the operations of the Commission.

Chief Finance Officer
Finance

Chief Human Resources Officer
People and Development

Chief Information Officer
Information and Technology

Assistant Director
Strategic Communications

Business Manager
Business Services

Assistant Commissioner Alcohol, Other Drug and Prevention Services

Director Prevention Services

- Responsible for prevention campaigns and programs, liquor licensing support, community programs.
- Workforce development and sector training.
- Alcohol, Drug Support Services including Parent and Family Drug Support.
- Suicide Prevention, current/new MH prevention programs and stigma reduction.
- Culturally secure training (including nationally recognised), resources, consultancy and support.

Manager
Public Education and Health Promotion Programs

Manager
Safe and Healthy Settings

Manager
Community Support and Development Programs

Manager
Alcohol and Drug Support Services

Manager
Strong Spirit Strong Mind Aboriginal Programs

Manager
Workforce Development

Director Clinical Services
Director of Nursing
Inpatient and Outpatient Services
Managers
Integrated Clinical Service

- Responsible for assessment and treatment services for people experiencing problems associated with their alcohol and drug use and support for their families.
- Inpatient and outpatient services including withdrawal management, opiate and alcohol pharmacotherapy, clinical psychology, case management and counselling.

Manager
Community Clinical Programs

Manager
Clinical Safety and Quality

Manager
Inpatients

Assistant Commissioner Planning, Policy and Strategy

Director Planning, Policy and Strategy

- Leads reform and provides strategic direction including inter-government relations.
- Ongoing implementation and evaluation of the *WA Mental Health Act 2014*.
- Implementation oversight of the WA Mental Health and Alcohol and Other Drug Services Plan and the WA Methamphetamine Action Plan.

Assistant Director
Service Planning

Assistant Director
System Reform

Assistant Commissioner Purchasing, Performance and Service Development

Director Service Development and NGO Commissioning

- Responsible for the coordinated management of the purchasing and contracting of mental health and alcohol and other drug services from non-government organisations (NGOs).
- Directs and oversees strategic sector development planning, programs and projects, purchases and implements effective and efficient services to address complex mental health and alcohol and other drug issues.

Assistant Director
Sector Development
Quality and Individualised Community Living Strategy (ICLS)

Assistant Director
NGO Contracts – Metro Country and Diversion

Assistant Director
Strategic Purchasing

Director Performance and Public Health Commissioning

- Oversees the development and implementation of performance monitoring and evaluation mechanisms for mental health and alcohol and other drug purchasing activities and services with the state.
- Responsible for the coordinated management of the purchasing and contracting of mental health and alcohol and other drug services from public sector health services.

Assistant Director
Performance

Assistant Director
Health Liaison

Assistant Director
Health Relationship and Purchasing

Performance management framework

The Commission's outcome-based management framework was developed to assist in monitoring and assessing the agency's performance in achieving the Western Australian Government's desired outcomes. The framework shows the relationship between government goals, agency level government desired outcomes and the Commission's services.

Effectiveness indicators help to determine if the agency's desired outcomes have been achieved through service delivery, while efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service. Collectively, the achievement of the outcomes and services will demonstrate how the Commission contributes to achieving the Western Australian Government goal of Strong Communities.

Changes to outcome-based management framework

Changes to the Agency's outcome-based management framework were approved by the Under Treasurer on 21 January 2019, to take effect from 1 July 2019.

The updated framework includes consolidation and streamlining of previous indicators and minor changes to language, to provide a more meaningful measure of performance in achieving government desired outcomes.

Additionally, on 19 June 2020, the Under Treasurer approved a temporary exemption from the requirement to disclose several key efficiency indicators (KEIs) under paragraph (3)(i) of Treasurer's Instruction (TI) 904. The necessity for the partial exemption is due to the impact of the COVID-19 pandemic, with scheduled on-site validation audits of some funded service providers unable to be undertaken within the required timeframe.

The KEIs which have been exempted are as follows:

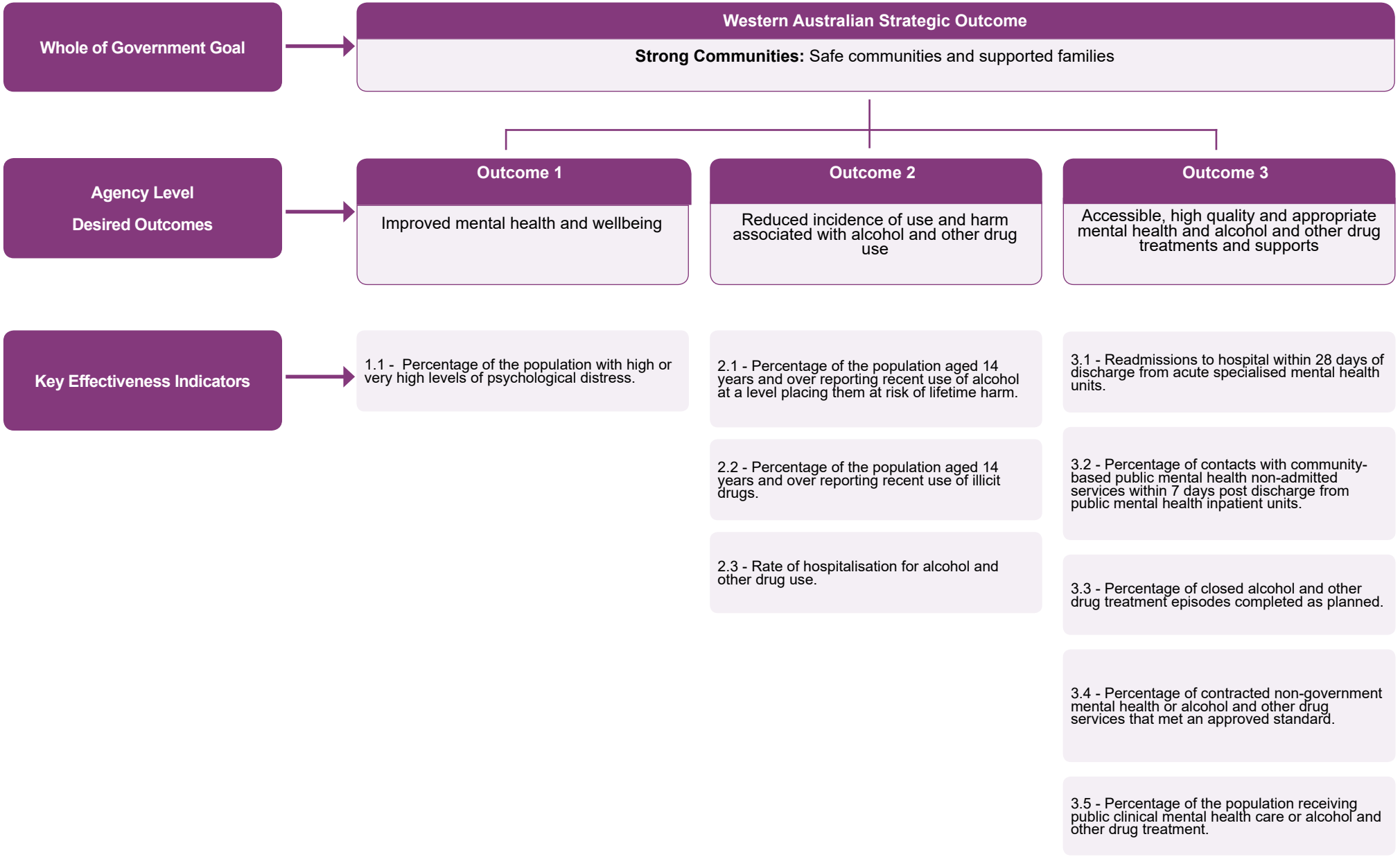
- Community Bed Based Services Key Efficiency Indicators 3.1 and 3.3
- Community Treatment Key Efficiency Indicators 4.1 and 4.2
- Community Support Key Efficiency Indicators 5.1 and 5.2

These uncertified KEIs can be found in the section starting on page 116.

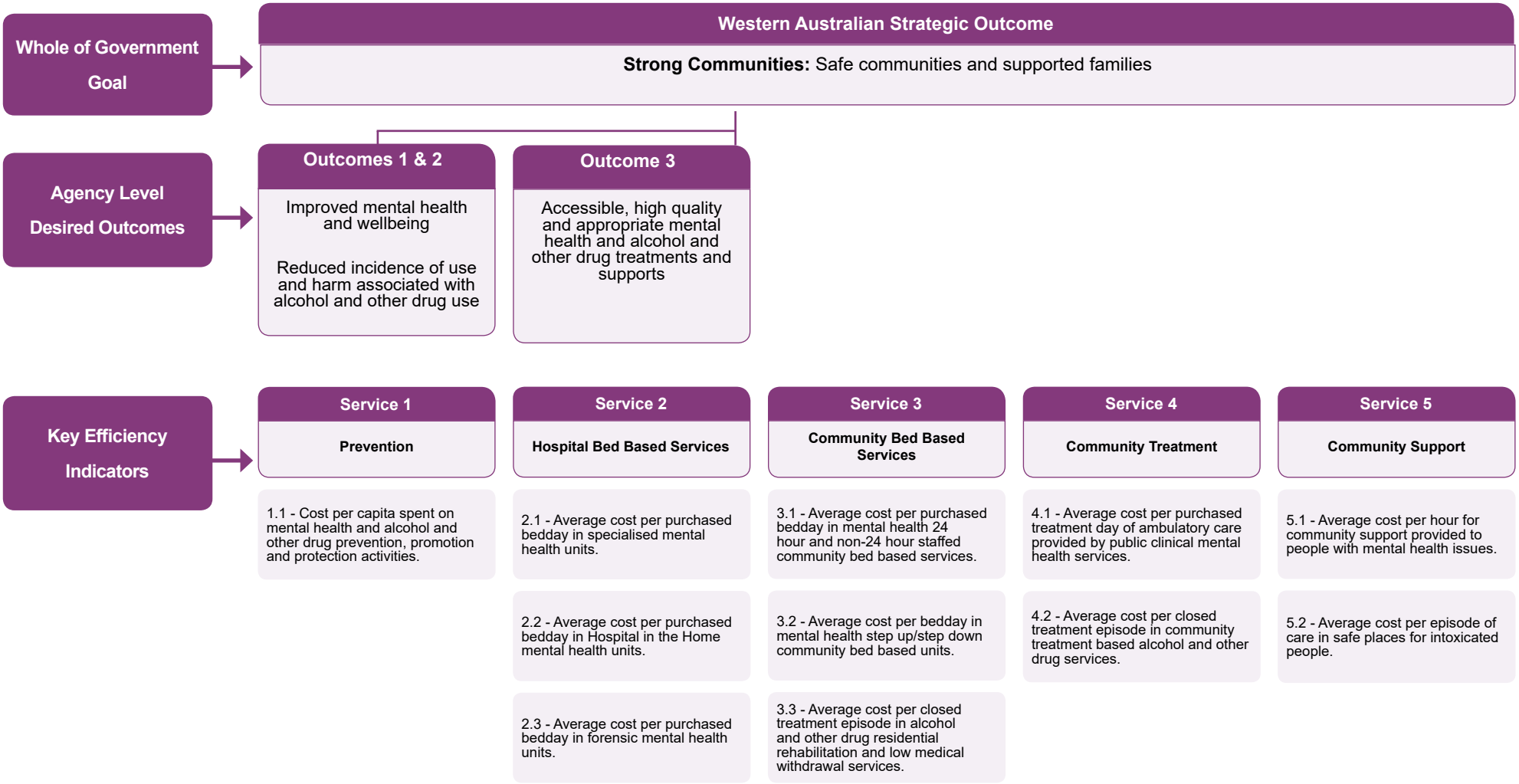
Shared responsibilities with other agencies

The Agency did not share any responsibilities with other agencies in 2019-20.

Mental Health Commission Outcome Based Management Framework 2019-20



Operational Structure



Agency Performance

Performance Summaries - Report on Operations

Summary of financial performance

Financial target	2019-20 Budget $'000	2019-20 Actual $'000	Variation $'000
Total cost of service (expense limit)	942,125	947,439	(5,314)
Net cost of services	737,961	723,247	14,714
Total equity	58,086	55,734	(2,352)
Net increase/(decrease) in cash held	(217)	9,268	9,485

STAFFING Approved full-time equivalent staff level	2019-20 Budget	2019-20 Actual	Variation
Mental Health Commission	242	256	14
Office of the Chief Psychiatrist	15	15	-
Mental Health Advocacy Service	7	7	-
Mental Health Tribunal	8	8	-
TOTAL	**272**	**286**	**14**

Working cash targets

	2019-20 Agreed Limit $'000	2019-20 Target/ Actual $'000	Variation $'000
Agreed Working Cash Limit (at Budget)	46,859	32,913	13,946
Agreed Working Cash Limit (at Actuals)	47,188	32,913	14,275

The working cash limit represents a cap limit on the Commission's working cash at bank. The working cash at bank excludes restricted cash holdings.

Key Performance Indicator (KPI) results against targets

2019-20 Annual Report KPIs and Targets

Indicator		2019-20 Target	2019-20 Actual
Key Effectiveness Indicators			
Outcome 1: Improved mental health and wellbeing			
1.1	Percentage of the population with high or very high levels of psychological distress	≤12.2%	12.2%
Outcome 2: Reduced incidence of use and harm associated with alcohol and other drug use			
2.1	Percentage of the population aged 14 years and over reporting recent use of alcohol at a level placing them at risk of lifetime harm	≤18.4%	17.2%
2.2	Percentage of the population aged 14 years and over reporting recent use of illicit drugs	≤16.8%	15.6%
2.3	Rate of hospitalisation for alcohol and other drug use	<969	1000.9
Outcome 3: Accessible, high quality and appropriate mental health and alcohol and other drug treatments and supports			
3.1	Readmissions to hospital within 28 days of discharge from acute specialised mental health units	≤12%	16.5%
3.2	Percentage of contacts with community-based public mental health non-admitted services within 7 days post discharge from public mental health inpatient units	≥75%	81.2%
3.3	Percentage of closed alcohol and other drug treatment episodes completed as planned	≥76%	71.0%
3.4	Percentage of contracted non-government mental health or alcohol and other drug services that met an approved standard	≥90%	96.2%
3.5	Percentage of the population receiving public clinical mental health care or alcohol and other drug treatment	≥3.2%	3.2%

Key Efficiency Indicators			
Service 1: Prevention			
1.1	Cost per capita spent on mental health and alcohol and other drug prevention, promotion and protection activities	$5.40	$6.45
Service 2: Hospital Bed Based Services			
2.1	Average cost per purchased bedday in specialised mental health units	$1,537	$1,595
2.2	Average cost per purchased bedday in Hospital in the Home mental health units	$1,463	$1,434
2.3	Average cost per purchased bedday in forensic mental health units	$1,356	$1,390
Service 3: Community Bed Based Services			
3.1	Average cost per purchased bedday in mental health 24 hour and non-24 hour staffed community bed based services	$256	$268*
3.2	Average cost per bedday in step up/step down community bed based units	$550	$545
3.3	Average cost per closed treatment episode in alcohol and other drug residential rehabilitation and low medical withdrawal services	$13,351	$14,166*
Service 4: Community Treatment			
4.1	Average cost per purchased treatment day of ambulatory care provided by public clinical mental health services	$463	$442*
4.2	Average cost per closed treatment episode in community treatment based alcohol and other drug services	$1,718	$1,847*
Service 5: Community Support			
5.1	Average cost per hour for community support provided to people with mental health issues	$122	$128*
5.2	Average cost per episode of care in safe places for intoxicated people	$408	$429*

*Not audited. As noted in Changes to outcome-based management framework, these key efficiency indicators are exempt from disclosure requirements for the 2019-20 financial year.

For a more in-depth discussion around KPI results, see the sections Detailed key effectiveness indicators information and Detailed key efficiency indicators information, as well as the Additional KPIs – uncertified results.

Key Achievements

Introduction

In 2019-20 the Commission invested a total of $947.4 million on mental health and AOD services, across the five service streams of Prevention, Community Support Services, Community Treatment Services, Community Bed Based Services and Hospital Bed Based Services. This was an increase of 3.2% on the previous year.

The Commission undertook initiatives to re-set its position and work towards delivering on its mandate to lead reform of the mental health and AOD sector in Western Australia.

The Commission's key achievements in these areas throughout 2019-20 are outlined on the following pages.

WA State Mental Health and AOD Priorities

In March 2020 the State Government's immediate priorities to reform and improve the mental health and AOD sector over four years from 2020 were released. The WA State Priorities Mental Health, Alcohol and Other Drugs 2020-2024 are aligned to the Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025 (the Plan), and its 29 key focus areas were identified as likely to have the maximum positive impact on the mental health and AOD system and provide for further improvements in the future.

In line with the Commission's overall direction, the Priorities support a consumer-focused, holistic, integrated and sustainable approach to mental health and AOD and are consistent with national and state strategies and frameworks.

The Priorities are being led by the Commission and delivered in partnership with the Department of Health, Health Service Providers (HSPs) and non-government organisations, and in collaboration with consumers, carers, families, the primary health care sector, wider community and other agencies.

Mental Health Funding

Prevention	$7.4 million
Hospital Bed Based	$406.8 million
Community Bed Based Services	$35.6 million
Community Treatment	$360.5 million
Community Support	$44.7 million
TOTAL	**$855.0 million**

Alcohol and Other Drug Funding

Prevention	$8.0 million
Hospital Bed Based	$3.9 million
Community Bed Based Services	$21.3 million
Community Treatment	$52.3 million
Community Support	$6.9 million
TOTAL	**$92.4 million**

WA State Mental Health and Alcohol and Other Drug Priorities 2020-2024

PREVENTION

- Suicide prevention
- Mental health prevention
- Alcohol reduction strategies
- Local government health plans (illicit drugs)
- Real time prescription monitoring
- Illicit drugs at high risk events

COMMUNITY SUPPORT

- Alternatives to EDs
- Expansion of supported accommodation
- Step up/step downs
- Recovery college

COMMUNITY ACCOMMODATION

- Community beds for high needs
- Expansion of community supported beds
- Contemporary bed based models
- AOD transition housing

TREATMENT SERVICES

- Suicide intervention and postvention
- Diversion programs
- Non-admitted community treatment
- Hospital beds (secure/open)
- Forensic services

SECTOR DEVELOPMENT

- Critical skill shortages
- Contemporary patient care
- Consortiums and partnerships
- Peer workers across the sector
- Safety and support for staff

SYSTEM SUPPORTS AND PROCESSES

- Streamline inpatient documentation
- Mental health accommodation vacancy system
- Flow and transition between services
- Navigation of services
- Delivering consumer outcomes

Governance Model

Following the March 2020 release of the Review of the Clinical Governance of Public Mental Health Services in Western Australia (Clinical Governance Review), the new position of Chief Medical Officer, Mental Health (CMOMH) was created to assist in strengthening the Commission's leadership role across the sector.

Reporting directly to the Mental Health Commissioner, the CMOMH will be tasked with providing clinical expertise in mental health and AOD, contributing to strategic planning and policy development, strengthening consumer and community focused clinical care, and liaising with non-government services to support system integration across Western Australia's public mental health and AOD services. Recruitment commenced in June for the position, which will also play a key role in a newly created Mental Health Executive Committee (MHEC) to be chaired by the Mental Health Commissioner. The MHEC will for the first time bring together Health Service Provider chief executives, along with the Director General of the Department of Health, to help strengthen integration and accountability within and across the public hospital system.

The MHEC was also announced following the Clinical Governance Review and will focus on improving partnerships, particularly with the community sector, and strengthening consumer focused care to ensure that lived experience is central to mental health and AOD policy development and service delivery.

A new Community Mental Health, Alcohol and Other Drug Council (CMC) was announced in June 2020 to further strengthen collaboration between the community services sector, government and consumers, carers and families. Chaired by the Mental Health Commissioner, the Council will contribute to the reform of the Western Australian mental health and AOD system by providing high level leadership and ensuring lived experience is central to policy development and service delivery, complementing the work of the MHEC.

In addition, new members were appointed to the Mental Health Advisory Council (MHAC) in 2019-20, comprising a mix of clinicians, consumers and people working in the sector. The MHAC provides strategic advice and guidance to the Commission regarding key matters affecting people with mental health issues, their families and service providers. The Alcohol and Other Drugs Advisory Board, which works in collaboration with the MHAC and provides AOD advice to the Commission, also had new members appointed in 2019, bringing diverse perspectives and sector experience to the board.

WA Mental Health, Alcohol and Other Drug System-Wide Governance model

** Consumer and carer representatives are mutual across CMC and MHEC.*

www.mhc.wa.gov.au

LEGEND: organisation | committee | MHC secretariat support | MHC corporate support | Independent Regulatory Oversight | Reporting Line | Advisory Line

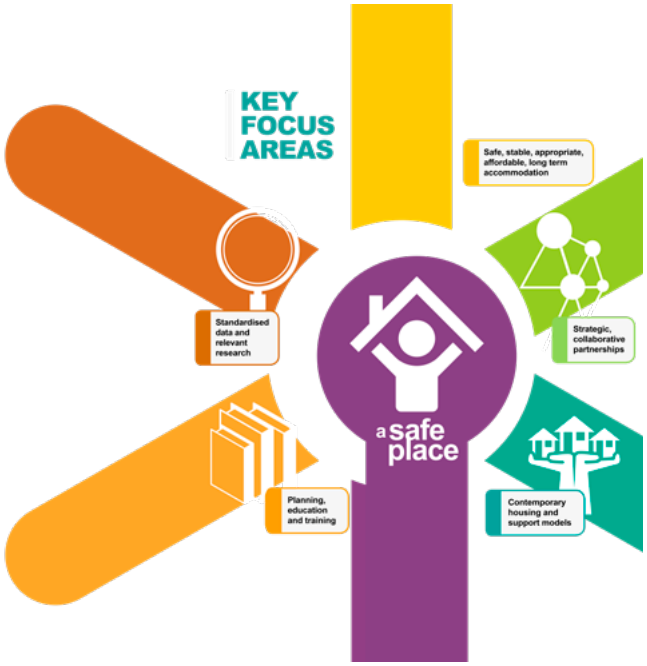
A Safe Place

In June 2020, A Safe Place - a Western Australian strategy to provide safe and stable accommodation and support to people experiencing mental health, alcohol and other drug issues 2020-2025 *(A Safe Place)* was released.

A Safe Place addresses the need identified in the Plan for a strategy to address the housing and support needs of people with mental health and AOD issues including those who are homeless. Its release marks the culmination of several years' work which involved extensive collaboration and consultation across government agencies, the mental health and AOD sector, and importantly with consumers, families and carers. The strategy is the first of its kind and provides an overarching framework to guide the development and delivery of appropriate accommodation and support services for people with mental health and AOD issues.

It complements the State Government's *Homelessness Strategy: All Paths Lead to a Home* and the first phase of its implementation includes a $25.1 million youth homelessness mental health and AOD service, along with a $24.5 million adult community care unit, which will provide high-level support and rehabilitation services in a home-like environment in the community to adults with mental health issues.

These initiatives, announced in June, resulted from a significant amount of planning and the extensive consultation undertaken during the development of A Safe Place.



Graphic from A Safe Place: A Western Australian strategy to provide safe and stable accommodation and support to people experiencing mental health, alcohol and other drug issues 2020-2025

Suicide Prevention and Aboriginal Youth Wellbeing

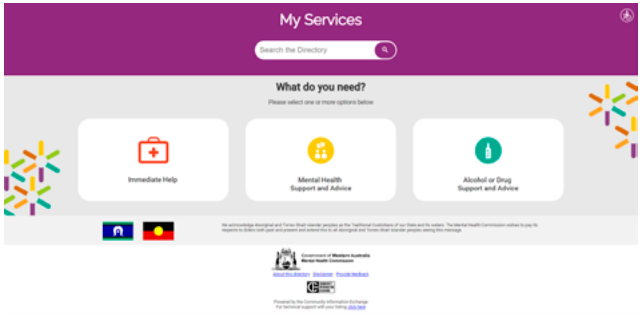
The *Draft Western Australian Suicide Prevention Framework 2025* constituted a major piece of work in 2019-2020, with extensive stakeholder engagement undertaken during the year to support the release in late 2020. More than 900 people directly contributed to developing the draft action plan, which provides a blueprint for a government and whole-of-community approach to suicide prevention in Western Australia.

March saw the release of the State Government's *Commitment to Aboriginal Youth Wellbeing: A response to the State Coroner's Inquest into the deaths of 13 children and young persons in the Kimberley and Learnings from the Message Stick: the Report of the Inquiry into Aboriginal Youth Suicide in Remote Areas*. The response outlined 12 key commitments by which the State Government will work to improve lived experiences for young Aboriginal people in the State, and particularly in the Kimberley region. The Commission, along with all State departments and agencies, will take up these commitments in partnership with the Aboriginal community.

An across-government $266.7 million initial funding package was announced to support the Commitment to Aboriginal Youth Wellbeing and improve the lives of young people in the Kimberley and across the State. The Commission component includes $2.7 million for a Fetal Alcohol Spectrum Disorder Prevention Package, $3 million for expanded and more accessible clinical mental health services in the Kimberley, and $32.3 million towards the implementation of the State Suicide Prevention Framework.

Online Services Directory

The Commission launched a new online services directory, My Services, in October 2019 to help Western Australians find relevant mental health and AOD services near them. The online services directory was developed in response to the Plan, which identified the need to deliver tools to improve the ability of consumers to navigate the system and provide access to services online.



My Services – online directory of Western Australian mental health and AOD services

My Services was developed based on consumer research and stakeholder feedback and includes more than 560 mental health and AOD services and more than 100 organisations. It brought together government and non-government services across the sector for the first time in a consumer-focused format. The listings for the directory are hosted within the My Community Directory database, which enables organisations to share their information in real time and provides a platform for further development and integration with other systems in the future.

COVID-19 Response

With the onset of the COVID-19 pandemic in March 2020, the Commission's priority focus was securing continuation of service delivery in the community. Flexibility was permitted in non-government organisation contracts in recognition of the immediate priority to keep providers, their staff and clients safe, and the Commission also worked closely with the Department of Health and HSPs to provide coordinated support.

The Commission reoriented into targeted support teams in order to respond to the pandemic in the most efficient manner possible, while managing workforce risk and employee health and wellbeing.

A high-level risk assessment of mental health and AOD services was undertaken to determine the level of service interruption likely to be caused by COVID-19 and to identify high priority services to support vulnerable cohorts.

The Commission then worked collaboratively with other government agencies, peak organisations and community service providers to establish and lead a taskforce on mental health and AOD, identifying and implementing practical measures to help protect those vulnerable members in the community. The Commission also contributed to taskforces led by the Department of Communities and Department of Finance to ensure support across the community services sector was coordinated and integrated.

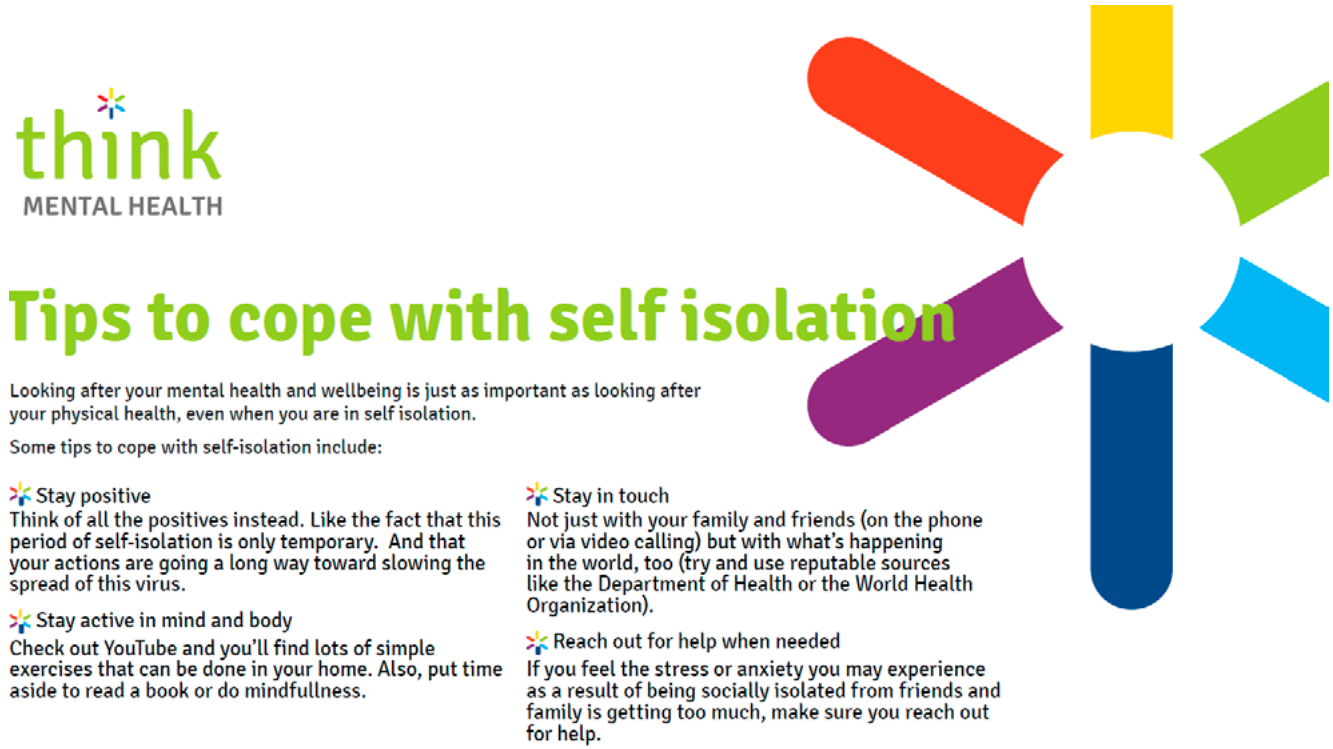
Mental Health Minister Roger Cook and Parliamentary Secretary Alanna Clohesy with members of the ASSeTs team at the announcement of the $6m COVID-19 recovery mental health funding package

New communication channels were developed, including a dedicated web page for service providers on the Mental Health Commission website and representation in a cross-government Community Sector Partnership Team to help distribute the latest information on the State Government's response to COVID-19 to the sector. The Acting Mental Health Commissioner also joined the Director General of the Department of Communities, Michelle Andrews, in weekly interactive webinars to facilitate open and rapid communication with representatives across the community services sector.

The Commission developed communications on how to maintain good mental health while in isolation. These were supplied to quarantine hotels by the Department of Health in both English and a graphic format suitable for culturally and linguistically diverse audiences.

The Commission committed to a $6 million COVID-19 recovery mental health funding package in June to enable services to adjust to new requirements and respond to increased demand as a result of the pandemic, ensuring continuity of support for people already accessing mental health and AOD services.

In recognition of the heightened levels of stress and anxiety being felt in the community due to COVID-19, $590,000 was allocated for the launch of a Statewide wellbeing campaign under the Think Mental Health brand in April 2020 – Be Positive. Be Connected. Be Active – that focused on protecting mental health and wellbeing during the pandemic. The campaign targeted key segments such as parents with younger children, people with elderly parents/grandparents, people living alone, and people experiencing financial stress, as well as the wider Western Australian community. A further $390,000 was invested in an Alcohol. Think Again education campaign in April 2020, that urged Western Australians to make positive choices to help reduce their risk of alcohol-related harm during COVID-19.



Poster from the Think Mental Health 'Be Positive, Be Connected, Be Active' campaign

A new, dedicated phoneline was launched in April 2020 to support GPs and other health professionals, particularly in recognition of the fact that the COVID-19 situation placed additional pressure on doctors and allied health professionals across the state, who may be dealing with a range of issues outside of their usual day-to-day work. The Drug and Alcohol Clinical Advisory Service (DACAS) provides specialist AOD advice to health professionals across the Western Australian health care system to assist in the management of individuals with AOD issues in the community, including appropriate substance detoxification advice and community treatment referral guidance. The new service was supported by a targeted campaign to raise awareness of the service amongst health professionals.

In response to the need for flexible working arrangements during the COVID-19 pandemic, the Information and Technology team successfully mobilised the Commission's workforce into a remote working environment through the implementation of cloud-based solutions, collaboration platforms and new communication tools.

Operational Model Review

With the announcement of the State Priorities, the Commission was tasked by the Minister for Mental Health with the role of leading system transformation, working across the diverse range of services and stakeholder groups in the mental health and AOD sectors to drive reform. To lead this reform, the Commission's leadership team recognised the need for a new operating model to create a more collaborative structure and way of working. The Commission undertook an Operational Model Review in the first half of 2020 which involved internal and external consultation, informing the creation of an agreed operating model.

The purpose of the new operating model for the Commission, coupled with the new sector governance model and the recruitment of a CMOMH, is to equip the agency to lead and facilitate the reform required in the sector, and ultimately deliver improved outcomes for the Western Australian community. The Commission is implementing an interim structure in 2020 under the new operating model.

Prevention

In 2019-20 the Commission:

- Invested $15.4 million in prevention services to help improve mental health, reduce risk of mental illness and suicide, and reduce AOD-related harms.
- Partnered with the Western Australian Association for Mental Health to provide funding, strategic communications and advisory support for Mental Health Week 2019 in October and the Mental Health Conference and Awards in November, which attracted approximately 500 delegates from around Australia.
- Launched a dedicated Strong Spirit Strong Mind website in March. The newly developed website contains culturally secure resources to help manage and reduce mental health and AOD related harms in Aboriginal communities. It also includes a dedicated page to assist with communicating public health messaging around COVID-19.
- Delivered public education campaigns for Alcohol.Think Again, Drug Aware, Think Mental Health, and Strong Spirit Strong Mind Aboriginal Programs, including those related to the COVID-19 response outlined above.
- Assisted with the development, implementation, review and evaluation of 28 AOD management plans that seek to address local AOD-related harm across the State.
- Monitored liquor licence applications across the State and investigated 139 matters regarding the potential for, and minimisation of, alcohol-related harm and ill-health.
- Assisted the Chief Health Officer with 22 interventions regarding liquor licence applications.

In October 2019, the Alcohol.Think Again 'Young People' campaign results showed 73% of parents of young people aged 12-17 years recognised the campaign after its first year in market; and 89% of these parents correctly or partially correctly recalled the key message take out. If the campaign results are extrapolated to apply to the Western Australian population, this equates to 11,446 parents who stopped supplying alcohol to their child, and at least 78,490 conversations held between parents and children about alcohol as a direct result of the campaign, demonstrating the influence the campaign has had on behavioural change.

Community services

In 2019-20, the Commission:

- Invested $521.3 million in community support, treatment and bed based services.
- Appointed Helping Minds in December 2019 to lead the inaugural Western Australian Recovery College project in collaboration with a consortium of organisations that include experienced mental health and AOD service providers. The first courses on improving mental health, and on issues related to AOD use, are expected to commence in the second half of 2020 and will be accessible to both metropolitan and regional communities.
- Completed a consumer and carer co-review of the Commission's Community Support program area to gain lived experience perspectives and inform future procurement and contracting of these service streams.
- Progressed work for the establishment of the Midland Intervention Centre, which will provide a short-term, community based, critical response for those experiencing a period of instability and requiring withdrawal support due to their alcohol and other drug use. Design work is underway for the refurbishment of the former Midland sobering up centre, in preparation for fit out by an appointed service provider. The tender for the service provider was advertised on Tenders WA in June 2020 and it is anticipated that the service will be operational in early 2021.
- Provided extensive support to community mental health and AOD organisations as part of the Western Australian Government's COVID-19 response, as outlined in the earlier section.
- Progressed work to revise the court diversion model of service for adult offenders appearing in Magistrates Courts across Western Australia, who are experiencing AOD-related problems. The upcoming Alcohol and Other Drug Diversion Program is expected to launch in October 2020 and has been developed in collaboration with the Department of Justice and other court diversion stakeholders, with input via a broader consultation process and a dedicated stakeholder Advisory Group. It will replace the existing Pre-sentence Opportunity Program, Indigenous Diversion Program and Supervised Treatment Intervention Regime, with the purpose of ensuring increased efficiency and appropriately targeted pre-sentence treatment options.
- Appointed KPMG in May 2019 to conduct an evaluation of the commissioning and delivery of non-admitted mental health services by the five HSPs during 2017-18 and 2018-19. The evaluation defined the scope and objectives of these services, as well as investigating the effectiveness and efficiency of the services in terms of both patient outcomes and value for money. The recommendations provided will assist the Commission to improve the purchasing, delivery and patient outcomes of non-admitted mental health services, as well as guiding the measurement of service performance.

Partnered with Consumers of Mental Health Western Australia (CoMHWA) to undertake engagement to assist in the development of a model of service for Western Australia's first Safe Haven Cafes. WA Country Health Service and East Metropolitan Health Service were then appointed to deliver the Cafes, which will provide an alternative to Emergency Departments at Royal Perth Hospital and Kununurra District Hospital for people in mental health distress. A further 110 stakeholders including consumers, carers and service providers, took part in workshops held in Perth and Kununurra in February 2020 to develop the operational model for these new services, which are expected to open in late 2020.

Key Achievements

- Appointed Nexus in June 2019 to undertake a review of the Mental Health Emergency Response Line (MHERL) including Rurallink. The review evaluated the current service model; provided recommendations on how to improve the effectiveness and efficiency of the MHERL service; and recommend a model of care for a mental health emergency response service reflecting current evidence-based practice. The review was overseen by an Evaluation Steering Committee with membership including a range of stakeholders and representatives from consumer and carer peak bodies including Helping Minds and Consumers of Mental Health WA. Consultations were also carried out in two non-metropolitan locations-Geraldton and Broome. The review has been delivered to the Commission, which will work collaboratively with its stakeholders in 2020-21 to deliver strategies to improve and enhance the service.
- Opened a new 10-bed community mental health step up/step down service in Bunbury in March 2020, with Richmond Wellbeing appointed as the operator of the service, enabling people with mental health issues in the South-West to recover in a community-based setting, close to their personal support network of family and friends, and avoiding unnecessary hospitalisation.

The new Bunbury Step Up/Step Down facility

- Began siteworks on the 10-bed Goldfields community mental health step up/step down service in Kalgoorlie in December 2019, which is due to be completed early in 2021. Geraldton-based contractor Crothers Construction Pty Ltd was awarded the contract for the refurbishment and construction of the 10-bed service in Geraldton in June 2020, with siteworks underway within the month and the service on track to commence operations early in 2021.
- Extended services through various providers to continue AOD treatment and prevention services in the Pilbara and Kimberley through the Royalties for Regions-funded North West Drug and Alcohol Support Program. This includes AOD counselling, prevention and community capacity building in Halls Creek, Derby, Fitzroy Crossing, Kununurra and Broome.
- Engaged Nous Group to lead the co-design process for the model of service, as part of the Methamphetamine Action Plan, for a $9.2 million Kimberley youth AOD service. This will deliver comprehensive, specialist AOD services for young people with complex needs and co-occurring mental health issues.

Hospital bed based services

In 2019-20 the Commission invested $406.8 million in public mental health inpatient services through contracts with each of the State's Health Service Providers (HSPs) – the Child and Adolescent Health Service (CAHS), North Metropolitan Health Service (NMHS), South Metropolitan Health Service (SMHS), East Metropolitan Health Service (EMHS) and WA Country Health Service (WACHS). $3.9 million was invested in AOD inpatient services through the Commission's Next Step service.

The HSPs also progressed and delivered:

- A new $1.15 million Mental Health Emergency Centre at Royal Perth Hospital in October 2019. Located next to the hospital's emergency department, the short stay facility includes eight treatment spaces in a low-stimulus environment.
- A major redevelopment and expansion of Joondalup Health Campus, which will include additional mental health beds as well as a Behavioural Assessment Urgent Care Clinic to treat drug and alcohol affected emergency department patients. The expansion is scheduled to be complete by late 2025.
- A $73.3 million redevelopment of Geraldton Health Campus. The redevelopment includes a new integrated mental health service, inclusive of a 12-bed acute psychiatric unit and a mental health short stay unit and is expected to be complete in 2023.
- Planning for an upgrade to Sir Charles Gairdner Hospital emergency department, a 40-bed expansion to the Fremantle Hospital mental health inpatient unit, and a $3.8 expansion of the acute inpatient mental health service at Kalgoorlie Health Campus.

Direct AOD services provided

Workforce Development

- The Commission's Workforce Development team delivered 106 events totalling 738 hours of face-to-face training to 1,824 workers around the state.
- Over 29,000 workforce resources were distributed.
- Under the Commonwealth Take-Home-Naloxone Pilot which commenced on December 1 2019, naloxone can be accessed free of charge by people at risk of an overdose, or likely to witness an overdose. Non-medical, community based organisations must meet several requirements, including undertaking training for staff provided by the Commission to ensure participants have the right skills and knowledge to provide brief education and supply naloxone.
- The Commission has provided 23 training and information sessions to allow health and non-health workers to be able to supply naloxone to the Western Australian community in order to reverse opioid overdose.
- WA services and access sites for free take-home naloxone have provided over 800 brief education sessions on how to recognise and respond to opioid overdose and use naloxone. Over 1,400 naloxone devices have been distributed to people at risk of, or witnessing, opioid overdose.

Next Step Drug and Alcohol Services

- At the Next Step Inpatient Withdrawal Unit, there were 700 admissions in 2019-20 and 512 admitted clients completed their treatment as planned.
- Next Step and the Alcohol and Drug Support Service (ADSS) jointly delivered the new DACAS service, as outlined in the COVID-19 Response section, with addiction specialists providing treatment advice to GPs and other health professionals across WA.
- Clinical AOD expertise was provided through undergraduate addiction medicine training with the University of WA and Notre Dame University Faculties of Medicine and Curtin University School of Medicine, as well as through participation in the Royal Australian College of General Practitioners (RACGP) AOD GP Education Program and other professional training programs.
- In addition to the Take-Home Naloxone Pilot, the Commission continued naloxone provision across Next Step Drug and Alcohol Services (Next Step) and the Integrated Services. To date over 2,433 kits have been distributed through Next Step and the Community Alcohol and Drug Services (CADS), with 389 reported opioid overdose reversals using these naloxone kits.
- A Model of Care is in development for the assessment of Next Step patients with prescription opioid use, to support real-time prescription monitoring in Western Australia.

Alcohol and Drug Support Service

- 12,946 occasions-of-service were provided to Western Australians through the Alcohol and Drug Support Line and the Parent and Family Drug Support Line. Contacts were made via the free 24/7 telephone counselling, information, referral and support lines, live chat and email.
- Of these contacts, 33% identified alcohol as the primary drug of concern and 20% identified methamphetamine as the primary drug of concern.

Strong Spirit Strong Mind Aboriginal Programs training

As a Registered Training Organisation, the Commission's Strong Spirit Strong Mind (SSSM) Aboriginal Programs team continued to deliver culturally secure training programs for people working in the AOD, mental health and human services sectors. In 2019-20:

- 14 Aboriginal AOD and mental health workers graduated with a full qualification for Certificate III in Community Services (Intake 1);
- 25 Aboriginal AOD and mental health workers registered for Certificate III in Community Services (Intake 2) which is currently underway;
- 23 Aboriginal AOD and mental health workers registered for Certificate IV in Community Services (Intake 1) which is currently underway; and
- 98 workers completed Ways of Working with Aboriginal people cultural awareness training.

Disclosures and Legal Compliance

Certification of Financial Statements

The accompanying financial statements of the Mental Health Commission have been prepared in compliance with 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 2020 and the financial position as at 30 June 2020.

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.

Les Bechelli, CPA
Chief Financial Officer
Mental Health Commission
Accountable Authority

16 September 2020

Jennifer McGrath
Acting Commissioner
Mental Health Commission
Accountable Authority

16 September 2020

Financial Statements

Mental Health Commission
Statement of Comprehensive Income
For the year ended 30 June 2020

	Notes	2020 $	2019 $
COST OF SERVICES			
Expenses			
Employee benefits expenses	3.1 (a)	36,210,328	34,742,708
Service agreement - WA Health	3.2	740,858,202	718,408,681
Service agreement - non government and other organisations	3.2	149,966,925	140,961,106
Supplies and services	3.4	11,467,373	10,564,372
Grants and subsidies	3.3	3,437,116	8,055,428
Depreciation expense	5.1.1 & 5.2	504,647	469,347
Finance costs	7.2	3,553	-
Accommodation expense	3.5	2,209,449	2,441,182
Other expenses	3.6	2,781,885	2,177,626
Total cost of services		**947,439,478**	**917,820,450**
Income			
Revenue			
Commonwealth grants and contributions	4.2	218,091,958	197,811,461
Other grants and contributions	4.3	5,075,467	4,893,361
Other revenue	4.4	1,024,704	381,520
Total revenue		**224,192,129**	**203,086,342**
Total income other than income from State Government		**224,192,129**	**203,086,342**
NET COST OF SERVICES		**723,247,349**	**714,734,108**
Income from State Government			
Service appropriation	4.1	710,821,000	698,281,000
Services received free of charge	4.1	1,969,238	3,008,527
Royalties for Regions Fund	4.1	16,454,000	3,109,000
Total income from State Government		**729,244,238**	**704,398,527**
SURPLUS/(DEFICIT) FOR THE PERIOD		**5,996,889**	**(10,335,581)**
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.11	146,022	-
Total other comprehensive income		**146,022**	**-**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**6,142,911**	**(10,335,581)**

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

Mental Health Commission
Statement of Financial Position
As at 30 June 2020

	Notes	2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	7.3.1	32,913,145	23,894,996
Restricted cash and cash equivalents	7.3.1	5,025,695	4,919,808
Receivables	6.1	82,392	306,302
Inventories	6.3	12,440	20,098
Other current assets	6.4	6,114	173,369
Non-current assets classified as held for sale	9.8	4,000,000	4,293,700
Total Current Assets		**42,039,786**	**33,608,273**
Non-Current Assets			
Restricted cash and cash equivalents	7.3.1	493,734	349,920
Amounts receivable for services	6.2	6,582,123	6,168,123
Property, plant and equipment	5.1	16,995,213	16,824,366
Right-of-use assets	5.2	88,317	-
Total Non-Current Assets		**24,159,387**	**23,342,409**
TOTAL ASSETS		**66,199,173**	**56,950,682**
LIABILITIES			
Current Liabilities			
Payables	6.5	2,056,030	2,136,799
Employee benefits provisions	3.1 (b)	5,986,704	5,600,117
Lease liabilities	7.1	41,255	-
Grant liabilities	6.6	126,894	-
Total Current Liabilities		**8,210,883**	**7,736,916**
Non-Current Liabilities			
Employee benefits provisions	3.1 (b)	2,205,744	1,943,626
Lease liabilities	7.1	48,459	-
Total Non-Current Liabilities		**2,254,203**	**1,943,626**
TOTAL LIABILITIES		**10,465,086**	**9,680,542**
NET ASSETS		**55,734,087**	**47,270,140**
EQUITY			
Contributed equity	9.11	34,451,091	32,135,558
Reserves	9.11	146,022	-
Accumulated surplus	9.11	21,136,974	15,134,582
TOTAL EQUITY		**55,734,087**	**47,270,140**

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

Mental Health Commission
Statement of Changes in Equity
For the year ended 30 June 2020

	Notes	2020 $	2019 $
CONTRIBUTED EQUITY	9.11		
Balance at start of period		32,135,558	32,135,558
Transactions with owners in their capacity as owners:			
Capital appropriation		72,000	-
Other contribution by owners - Royalties for Region Fund		8,663,000	-
Other distribution to owner - Department of Communities		(6,419,467)	-
Balance at end of period		34,451,091	32,135,558
RESERVES			
Asset Revaluation Reserve			
Balance at start of period		-	-
Other comprehensive income for the period		146,022	-
Balance at end of period		146,022	-
ACCUMULATED SURPLUS	9.11		
Balance at start of period		15,134,582	25,492,098
Initial application of AASB 16	9.2	5,503	-
Initial application of AASB 9		-	(21,935)
Restated balance at start of period		15,140,085	25,470,163
Surplus/(deficit) for the period		5,996,889	(10,335,581)
Balance at end of period		21,136,974	15,134,582
TOTAL EQUITY	9.11		
Balance at start of period		47,270,140	57,627,656
Total comprehensive income/(loss) for the period		6,142,911	(10,335,581)
Initial application of AASB 16		5,503	-
Initial application of AASB 9		-	(21,935)
Transactions with owners in their capacity as owners		2,315,533	-
Balance at end of period		**55,734,087**	**47,270,140**

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

Mental Health Commission
Statement of Cash Flows
For the year ended 30 June 2020

	Notes	2020 $	2019 $
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		710,407,000	697,940,000
Capital appropriations		72,000	-
Royalties for Regions Fund - Capital	9.11	8,663,000	-
Payment to Department of Communities - Royalties for Regions capital	9.11	(6,419,467)	-
Royalties for Regions Fund - Recurrent	4.1	16,454,000	3,109,000
Net cash provided by State Government		**729,176,533**	**701,049,000**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits expenses		(35,117,917)	(34,807,595)
Service agreement - WA Health		(740,850,059)	(718,416,824)
Service agreement - non government and other organisations		(150,176,087)	(141,293,516)
Supplies and services		(9,264,737)	(7,806,468)
Grants and subsidies		(3,437,116)	(8,111,263)
Finance costs		(3,553)	-
Accommodation expense		(2,203,616)	(2,429,064)
Other payments		(2,647,653)	(1,805,004)
Receipts			
Commonwealth grants and contributions		218,218,852	197,811,461
Other grants and contributions		5,075,467	4,893,361
Other receipts		569,649	767,506
Net cash used in operating activities	7.3.2	**(719,836,770)**	**(711,197,406)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(5,110)	(20,535)
Net cash used in investing activities		**(5,110)**	**(20,535)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Lease payments		(66,804)	-
Net cash used in financing activities		**(66,804)**	-
Net increase / (decrease) in cash and cash equivalents		9,267,850	(10,168,941)
Cash and cash equivalents at the beginning of the period		29,164,724	39,333,665
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.3.1	**38,432,574**	**29,164,724**

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

Mental Health Commission
Summary of consolidated account appropriations
For the year ended 30 June 2020

	2020 Estimate $	2020 Actual $	Variance $	2020 Actual $	2019 Actual $	Variance $
Delivery of Services						
Item 50 Net amount appropriated to deliver services	710,334,000	710,012,000	(322,000)	710,012,000	697,472,000	12,540,000
Amount Authorised by Other Statutes						
- *Salaries and Allowances Act 1975*	809,000	809,000	-	809,000	809,000	-
Total appropriations provided to deliver services	711,143,000	710,821,000	(322,000)	710,821,000	698,281,000	12,540,000
Capital						
Item 126 Capital appropriations	1,349,000	72,000	(1,277,000)	72,000	-	72,000
Administered Transactions						
Administered grants, subsidies and other transfer payments	8,523,000	8,523,000	-	8,523,000	8,475,000	48,000
Total administered transactions	8,523,000	8,523,000	-	8,523,000	8,475,000	48,000
GRAND TOTAL	721,015,000	719,416,000	(1,599,000)	719,416,000	706,756,000	12,660,000

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

1. Basis of preparation

The Mental Health Commission (MHC) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The MHC is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:
1) The Financial Management Act 2006 **(FMA)**
2) The Treasurer's Instructions **(the Instructions or TI)**
3) Australian Accounting Standards **(AAS)** including applicable interpretations
4) Where appropriate, those **AAS** paragraphs applicable 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

These 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 dollar ($).

Judgements 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.

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 TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

2. The MHC outputs

How the MHC operates

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

	Note
The MHC objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liabilities by Service	2.3

2.1 The MHC objectives

Mission

To be an effective leader of alcohol, drug and mental health commissioning, providing and partnering in the delivery of person-centred and evidence-based:

* Prevention, promotion and early intervention programs;
* Treatment, services and supports; and
* Research, policy and system improvements.

The MHC is predominantly funded by Parliamentary appropriations and Commonwealth Grants and Contributions.

Services

The MHC is responsible for purchasing mental health services, alcohol and other drug services from a range of providers including public health systems, other government agencies, private sector providers and non-government organisations.

The MHC provides the following services.

Prevention

Prevention and promotion in the mental health and alcohol and other drug sectors include activities to promote positive mental health, raise awareness of mental illness, suicide prevention, and the potential harms of alcohol and other drug use in the community.

Hospital Bed Based Services

Hospital bed based services include acute and sub-acute inpatient units, mental health observation areas and hospital in the home.

Community Bed Based Services

Community bed based services are focused on providing recovery-oriented services and residential rehabilitation in a home-like environment.

Community Treatment

Community treatment provides clinical care in the community for individuals with mental health, alcohol and other drug problems. These services generally operate with multidisciplinary teams, and include specialised and forensic community clinical services.

Community Support

Community support services provide individuals with mental health, alcohol and other drug problems access to the help and support they need to participate in their community. These services include peer support, home in-reach, respite, recovery and harm reduction programs.

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

2.2 Schedule of Income and Expenses by Service

	Prevention		Hospital Bed Based Services		Community Bed Based Services		Community Treatment		Community Support		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$	$	$	$	$
COST OF SERVICES												
Expenses												
Employee benefits expenses	588,766	552,409	15,696,497	14,901,148	2,176,276	2,133,202	15,776,718	15,311,111	1,972,071	1,844,838	36,210,328	34,742,708
Service agreement - WA Health	12,046,074	11,422,698	321,148,107	308,125,483	44,526,294	44,110,293	322,789,438	316,602,706	40,348,289	38,147,501	740,858,202	718,408,681
Service agreement - non government and other organisations	2,438,406	2,241,282	65,007,843	60,458,218	9,013,157	8,655,012	65,340,087	62,121,559	8,167,432	7,485,035	149,966,925	140,961,106
Supplies and services	186,455	167,974	4,970,891	4,531,059	689,200	648,652	4,996,296	4,655,719	624,531	560,968	11,467,373	10,564,372
Grants and subsidies	55,886	128,081	1,489,925	3,454,973	206,574	494,603	1,497,540	3,550,027	187,191	427,743	3,437,116	8,055,428
Depreciation expense	8,205	7,463	218,755	201,303	30,330	28,818	219,873	206,841	27,484	24,922	504,647	469,347
Finance costs	58	-	1,540	-	214	-	1,547	-	194	-	3,553	-
Accommodation expense	35,925	38,815	957,755	1,047,023	132,790	149,889	962,649	1,075,829	120,330	129,627	2,209,449	2,441,182
Other expenses	45,232	34,624	1,205,895	933,984	167,194	133,706	1,212,058	959,680	151,506	115,632	2,781,885	2,177,626
Total cost of services	15,405,007	14,593,346	410,697,208	393,653,191	56,942,029	56,354,175	412,796,206	404,483,472	51,599,028	48,736,266	947,439,478	917,820,450
Income												
Commonwealth grants and contributions	-	-	119,732,832	114,840,222	-	-	98,359,126	82,971,239	-	-	218,091,958	197,811,461
Other grants and contributions	2,309,428	2,261,766	-	128,234	-	3,684	2,766,039	2,496,491	-	3,186	5,075,467	4,893,361
Other revenue	170,704	6,066	340,000	163,634	47,000	23,425	372,000	168,136	95,000	20,259	1,024,704	381,520
Total income other than income from State Government	2,480,132	2,267,832	120,072,832	115,132,090	47,000	27,109	101,497,165	85,635,866	95,000	23,445	224,192,129	203,086,342
NET COST OF SERVICES	12,924,875	12,325,514	290,624,376	278,521,101	56,895,029	56,327,066	311,299,041	318,847,606	51,504,028	48,712,821	723,247,349	714,734,108
Income from State Government												
Service appropriation	12,387,363	11,980,343	292,370,286	272,797,813	53,063,093	52,711,737	302,616,878	312,786,858	50,383,378	48,004,249	710,821,000	698,281,000
Services received free of charge	32,019	47,836	853,628	1,290,357	118,353	184,724	857,990	1,325,857	107,248	159,753	1,969,238	3,008,527
Royalties for Regions Fund	603,000	133,000	-	-	4,074,000	2,796,000	10,437,000	180,000	1,340,000	-	16,454,000	3,109,000
Total income from State Government	13,022,382	12,161,179	293,223,914	274,088,170	57,255,447	55,692,461	313,911,869	314,292,715	51,830,626	48,164,002	729,244,238	704,398,527
SURPLUS/(DEFICIT) FOR THE PERIOD	97,507	(164,335)	2,599,539	(4,432,931)	360,418	(634,605)	2,612,827	(4,554,891)	326,599	(548,819)	5,996,889	(10,335,581)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

2.3 Schedule of Assets and Liabilities by Service

	Prevention		Hospital Bed Based Services		Community Bed Based Services		Community Treatment		Community Support		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$	$	$	$	$	$	$	$	$	$	$	$
ASSETS												
Current assets	683,551	534,372	18,223,457	14,414,588	2,526,632	2,063,548	18,316,594	14,811,166	2,289,552	1,784,599	42,039,786	33,608,273
Non-current assets	392,823	371,144	10,472,639	10,011,559	1,452,003	1,433,224	10,526,164	10,287,000	1,315,758	1,239,482	24,159,387	23,342,409
Total Assets	1,076,374	905,516	28,696,096	24,426,147	3,978,635	3,496,772	28,842,758	25,098,166	3,605,310	3,024,081	66,199,173	56,950,682
LIABILITIES												
Current liabilities	133,506	123,017	3,559,264	3,318,363	493,482	475,047	3,577,454	3,409,659	447,177	410,830	8,210,883	7,736,916
Non-current liabilities	36,652	30,904	977,155	833,621	135,480	119,338	982,149	856,556	122,767	103,207	2,254,203	1,943,626
Total Liabilities	170,158	153,921	4,536,419	4,151,984	628,962	594,385	4,559,603	4,266,215	569,944	514,037	10,465,086	9,680,542
NET ASSETS	906,216	751,595	24,159,677	20,274,163	3,349,673	2,902,387	24,283,155	20,831,951	3,035,366	2,510,044	55,734,087	47,270,140

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

Mental Health Commission
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3. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the MHC'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 MHC in achieving its objectives and the relevant notes are:

	Notes	2020 $	2019 $
Employee benefits expenses	3.1(a)	36,210,328	34,742,708
Employee benefits provisions	3.1(b)	8,192,448	7,543,743
Service agreements	3.2	890,825,127	859,369,787
Grants and subsidies	3.3	3,437,116	8,055,428
Supplies and services	3.4	11,467,373	10,564,372
Accommodation expense	3.5	2,209,449	2,441,182
Other expenses	3.6	2,781,885	2,177,626

Mental Health Commission
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	2020	2019
3.1(a) Employee benefits expenses	**$**	**$**
Employee benefits	33,082,193	31,660,456
Termination benefits	-	-
Superannuation - defined contribution plans (a)	3,128,135	3,082,252
Total employee benefits expenses	**36,210,328**	**34,742,708**
Add: AASB 16 Non-monetary benefits (b)	54,289	-
Less: Employee contributions	(26,632)	-
Net employee benefits	**36,237,985**	**34,742,708**

(a) Defined contribution plans include West State, Gold State and GESB Super and other eligible funds. Super contribution paid to GESB for West State, Gold State and GESB Super is $2,667,363 (2018-19 $2,681,380).

(b) Additional non-monetary benefits include the provision of vehicle benefits measured at cost in accordance with the application of AASB 16.

Employee benefits: Include wages and salaries, accrued and paid leave entitlements and fringe benefits tax.

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 MHC 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.

AASB 16 Non-monetary benefits: Employee benefits in the form of non-monetary benefits, such as the provision of motor vehicles are measured at cost.

3.1(b) Employee benefits provisions

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.

	2020	2019
Current	**$**	**$**
Employee benefits provision		
Annual leave (a)	3,297,642	2,806,488
Long service leave (b)	2,586,128	2,718,771
Deferred salary scheme (c)	102,934	74,858
Total current employee benefits provisions	**5,986,704**	**5,600,117**
Non-current		
Employee benefits provision		
Long service leave (b)	2,205,744	1,943,626
Total employee benefits provisions	**8,192,448**	**7,543,743**

(a) **Annual leave liabilities:** 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:

Within 12 months of the end of the reporting period	2,299,042	1,976,317
More than 12 months after the end of the reporting period	998,600	830,171
	3,297,642	2,806,488

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: Unconditional long service leave provisions are classified as current liabilities as the MHC does not have an unconditional right to defer settlement of the liability 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 MHC has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	638,404	677,818
More than 12 months after the end of the reporting period	4,153,469	3,984,579
	4,791,872	4,662,397

The provision of the long service leave liabilities are calculated at present value as the MHC 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.

(c) **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	102,934	-
More than 12 months after the end of the reporting period	-	74,858
	102,934	74,858

3.1(b) Employee benefits provisions (cont.)

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 MHC'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.

In estimating the non-current long service leave liabilities, employees are assumed to leave the MHC each year on account of resignation or retirement at 7.4%. This assumption was based on an analysis of the historical turnover rates exhibited by employees in the WA health services including the MHC. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years or to age 65 if earlier.

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

		2020	2019
3.2	**Service agreements**	**$**	**$**
	Service agreement - WA Health		
	East Metropolitan Health Service	186,721,028	179,086,863
	North Metropolitan Health Service	243,678,096	239,227,614
	South Metropolitan Health Service	126,058,033	122,908,633
	Child and Adolescent Health Service	64,642,888	62,391,473
	WA Country Health Service	119,758,157	114,496,802
	Department of Health	-	297,296
	Total service agreement - WA Health	**740,858,202**	**718,408,681**

Metropolitan Health Service was abolished on 1 July 2016 and established 5 Health Services Providers including Health Support Services due to proclamation of Health Services Act 2016. WA Health comprises the Department of Health, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, Child and Adolescent Health Service, Health Support Services and WA Country Health Service. Under the MHC Service Agreements, public hospitals in WA Health provide specialised mental health services to the public patients and the community.

	Service agreement - non government and other organisations		
	Non-government and other organisations	149,966,925	140,961,106

Non-government and other organisations are contracted to provide specialised mental health, alcohol and other drug services to the community.

	Total service agreements	**890,825,127**	**859,369,787**

Mental Health Commission
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3.3 Grants and subsidies	2020 $	2019 $
Recurrent		
Suicide Prevention Strategy	150,000	-
Prevention and Anti-Stigma	180,000	100,000
Ice Breaker Program	-	180,000
Community Living Support	1,750,000	1,200,000
Other grants	1,357,116	1,336,295
Total recurrent grants and subsidies	**3,437,116**	**2,816,295**
Capital		
Bunbury step-up step-down	-	2,367,000
Karratha step-up step-down	-	1,592,000
Kalgoorlie step-up step-down	-	1,280,133
Total capital grants and subsidies	**-**	**5,239,133**
Total grants and subsidies	**3,437,116**	**8,055,428**

Grants and subsidies include payment to Department of Communities of $1,750,000 (2018-19 $6,439,133) including $5,239,133 capital grants in 2018-19. Due to change of accounting treatment, the MHC has paid $6,419,467 to Department of Communities as distribution of equity in 2019-20 (Note 9.11). The payments are for the construction of the mental health step-up step down facilities. The Department of Communities will have the ownership of facilities and the MHC will deliver mental health services in partnership with non-government and other organisations via service.

Transactions in which the MHC provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

Mental Health Commission
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3.4 Supplies and services	2020 $	2019 $
Specific project expenses - other government organisations (a)	-	448,928
Purchase of outsourced services (b) (c)	6,388,356	4,963,015
Corporate support services (d)	1,910,772	2,951,365
Computer related services	326,385	129,542
Consulting fees (a) (e)	1,630,098	1,020,840
Consumables	643,424	400,641
Communications (b)	208,185	262,054
Printing and Stationery	290,808	330,074
Other	69,345	57,913
Total supplies and services	**11,467,373**	**10,564,372**

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

(a) Department of Justice of $nil has been reclassified as specific project expenses (2018-19 $448,928) and $nil as consulting fees (2018-19 $2,386).
(b) Department of Finance $115 has been reclassified as communications (2018-19 $8,266) and $1,662 as purchase of outsourced services (2018-19 $nil).
(c) Department of Health $49,366 has been reclassified as purchase of outsourced services (2018-19 $37,033).
(d) Health Support Services has provided supply services, IT services, human resource services, finance services to the MHC. Service provided is inclusive of free of charge of $1,910,772 (2018-19 $2,951,365).
(e) Landgate WA of $8,698 has been reclassified as consulting fees (2018-19 $nil).

3.5 Accommodation expense		
Office accommodation expenses	**2,209,449**	**2,441,182**

Office accommodation expenses include Government Office Accommodation periodic lease arrangements, which are outside the scope of AASB 16 and are expensed as incurred. Expenses include Department of Finance $2,068,855 (2018-19 $2,295,434) inclusive of services provided free of charge $12,754 (2018-19 $12,125) and Department of Planning, Lands and Heritage $3,750 (2018-19 $7,500).

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3.6 Other expenses	2020 $	2019 $
Workers' compensation insurance (a)	281,766	141,496
Other employee related expenses (h)	396,026	356,787
Consumable equipment, repairs and maintenance (b) (g)	811,706	496,679
Expected credit losses expense	2,747	-
Loss on revaluation of land	316,300	25,700
Loss on revaluation of buildings	-	9,813
Travel related expenses (c)	71,581	68,047
Audit fees (d)	285,201	360,540
Legal fees (e)	63,510	55,649
Administration (f)	135,159	413,017
Advertising	785	6,868
Other insurance (a)	139,024	104,282
Disposal of lease asset	2,273	-
Other (b) (i)	275,807	138,748
Total other expenditures	**2,781,885**	**2,177,626**

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

(a) Include expense to RiskCover, $281,766 has been classified as workers' compensation insurance and $139,024 as other insurance (2018-19 $141,946 workers' compensation insurance and $102,802 other insurance).
(b) Include expense to Department of Finance, $84,066 has been classified as consumable equipment, repairs and maintenance (2018-19 $188,715).
(c) Include expense to Department of Finance - Statefleet $304 (2018-19 $61,622).
(d) Include expense to Office of the Auditor General $212,928 (2018-19 $205,999).
(e) Include expense to Department of Justice - State Solicitor's Office $47,097 (2018-19 $52,327) inclusive of resources received free of charge.
(f) Include expense to Department of Training and Workforce Development of $1,818 (2018-19 $nil).
(g) Include expense to Department of Fire and Emergency $5,021 (2018-19 $6,622).
(h) Include expense to Department of The Premier and Cabinet $1,500 (2018-19 $nil).
(i) Include expense to WA Police $nil (2018-19 $89,367).

The expected credit losses is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. The MHC has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to note 6.1.1 Movement in the allowance for impairment of receivables.

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

Loss on revaluation of land and buildings recognised as an expense as no revaluation surplus exist in previous years.

The employment on-costs include **workers' compensation insurance** only. Any on-costs liability associated with the recognition of annual and long service leave liability is 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.

Mental Health Commission
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4. Our funding sources

How we obtain our funding

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

	Notes	2020 $	2019 $
Income from State Government	4.1	729,244,238	704,398,527
Commonwealth grants and contributions	4.2	218,091,958	197,811,461
Other grants and contributions	4.3	5,075,467	4,893,361
Other revenue	4.4	1,024,704	381,520

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		2020	2019
4.1	**Income from State Government**	**$**	**$**
	Service appropriation received during the period:		
	Amount appropriated to deliver services	710,012,000	697,472,000
	Amount authorised by other statutes:		
	Salaries and Allowances Act 1975	809,000	809,000
		710,821,000	**698,281,000**
	Services received free of charge from other State government agencies during the period:		
	State Solicitor's Office - legal advisory services	42,107	45,037
	Department of Finance - office accommodation leasing services	12,754	12,125
	Health Support Services (a)	1,914,377	2,951,365
	Total services received	**1,969,238**	**3,008,527**
	Royalties for Regions Fund		
	Regional Community Services Account	**16,454,000**	**3,109,000**
	Total income from State Government	**729,244,238**	**704,398,527**

(a) Metropolitan Health Service was abolished on 1 July 2016 and established 5 Health Services Providers including Health Support Services. Health Support Services has provided (previously within Metropolitan Health Service) supply services, IT services, human resource services, finance services to the MHC since 2010.

Service Appropriations are recognised as income at fair value of consideration received in the period in which the MHC gains control of the appropriated funds. The MHC gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:
* Cash component; and
* A receivable (asset).

The receivable (holding account – note 6.2) comprises the following:
* The budgeted depreciation expense for the year; and
* Any agreed increase in leave liabilities during the year.

Regional Community Services Account is sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the MHC receives the funds. The MHC has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific' criterion.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

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		2020	2019
4.2	**Commonwealth grants and contributions**	**$**	**$**
	National Health Reform Agreement (a)	217,715,822	197,607,461
	Specialist Dementia Care Program	260,000	204,000
	Take Home Naloxone Pilot	116,136	-
	Total commonwealth grants and contributions	**218,091,958**	**197,811,461**

(a) As from 1 July 2012, activity based funding and block grant funding have been received from the Commonwealth Government under the National Health Reform Agreement for services, health teaching, training and research provided by local hospital networks. The new funding arrangement established under the Agreement requires the Commonwealth Government to make funding payments to the State Pool Account from which distributions to the local hospital networks (health services) are made by the Department of Health and Mental Health MHC. In previous financial years, the equivalent Commonwealth funding was received in the form of Service Appropriations from the State Treasurer.

Until 30 June 2019, income from Commonwealth was recognised at fair value when the grant is receivable. From 1 July 2019, commonwealth grants and contributions are recognised as income when the grants are receivable.

4.3 Other grants and contributions

Department of Health	470,102	475,580
WA Country Health Service	1,129,745	1,129,745
Department for Communities	828,745	706,000
Department of Education	160,205	157,884
WA Police	1,452,192	1,357,000
Healthway	1,019,478	748,522
Other	15,000	318,630
Total other grants and contributions	**5,075,467**	**4,893,361**

Other grants and contributions are recognised as income when the MHC achieves milestones specified in the grant agreement.

4.4 Other revenue

Refund of prior year's payment on contract for services (a)	200,624	166,483
Interest revenue	45,906	101,233
Services to external organisations	254,623	80,015
Increment on revaluation of buildings (b)	475,430	-
Other revenue	48,121	33,789
Total other revenue	**1,024,704**	**381,520**

(a) Refunds were received from non-government organisations in 2019/20 and 2018/19, as the funds paid in prior year were in excess of the requirement.
(b) Revenue is related to an increment in value of assets after revaluation. It is recognised as other revenue to the extent it reverses the loss on revaluation recognised as other expense in previous years. No revaluation surplus exists in previous year.

Until 30 June 2019, other revenue was recognised and measured at the fair value of consideration received or receivable. From 1 July 2019, revenue is recognised at a point-in-time for services provided. The performance obligation for these revenue are satisfied when the services have been provided.

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5. Key assets

Assets the MHC utilises for economic benefit or service potential

This section includes information regarding the key assets the MHC 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	2020 $	2019 $
Property, plant and equipment	5.1	16,995,213	16,824,366
Right-of-use assets	5.2	88,317	-

Mental Health Commission
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		2020	2019
5.1	**Property, plant and equipment**	**$**	**$**
	Land		
	Carrying amount at start of period (fair value)	**5,221,300**	**8,507,000**
	Revaluation increments / (decrements)	(22,600)	(25,700)
	Classified as held for sale	-	(3,260,000)
	Carrying amount at end of period	**5,198,700**	**5,221,300**
	Buildings		
	Carrying amount at start of period (fair value)	**11,255,301**	**12,712,423**
	Revaluation increments / (decrements)	621,452	(9,813)
	Depreciation	(376,553)	(413,609)
	Classified as held for sale		(1,033,700)
	Carrying amount at end of period	**11,500,200**	**11,255,301**
	Computer equipment		
	Gross carrying amount	49,886	49,886
	Accumulated depreciation	(49,886)	(49,886)
	Carrying amount at start of period	**-**	**-**
	Depreciation	-	-
	Carrying amount at end of period	**-**	**-**
	Medical equipment		
	Gross carrying amount	167,819	167,819
	Accumulated depreciation	(52,122)	(28,618)
	Carrying amount at start of period	**115,697**	**139,201**
	Depreciation	(23,504)	(23,504)
	Carrying amount at end of period	**92,193**	**115,697**

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		2020	2019
5.1	**Property, plant and equipment (cont.)**	**$**	**$**
	Other plant and equipment		
	Gross carrying amount	325,158	310,623
	Accumulated depreciation	(111,090)	(78,856)
	Carrying amount at the start of year	**214,068**	**231,767**
	Additions	5,110	14,535
	Depreciation	(33,058)	(32,234)
	Carrying amount at the end of year	**186,120**	**214,068**
	Artworks		
	Gross carrying amount	18,000	12,000
	Carrying amount at the start of year	**18,000**	**12,000**
	Additions	-	6,000
	Carrying amount at the end of year	**18,000**	**18,000**
	Total property, plant and equipment		
	Gross carrying amount	17,037,464	21,759,751
	Accumulated depreciation	(213,098)	(157,360)
	Carrying amount at the start of year	**16,824,366**	**21,602,391**
	Additions	5,110	20,535
	Revaluation increments/(decrements)	598,852	(35,513)
	Depreciation	(433,115)	(469,347)
	Classified as held for sale	-	(4,293,700)
	Carrying amount at the end of year	**16,995,213**	**16,824,366**

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).

5.1 Property, plant and equipment (cont.)

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings.

Land and buildings are carried at fair value less accumulated depreciation (buildings) and accumulated impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics).The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: $4,620,000 (2018-19 $630,000) and buildings $1,056,000 (2018-19 $1,066,000). For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

(a) Fair Value where market-based evidence is available:

The fair value of land and buildings (non-clinical sites) is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

(b) Fair value in the absence of market-based evidence:

Buildings are specialised or where land is restricted: Fair value of land, buildings (clinical sites) is determined on the basis of existing use.

Existing use buildings: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Restricted use land: Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Significant assumptions and judgements: The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

5.1.1 Depreciation expense	**2020 $**	**2019 $**
Buildings	376,553	413,609
Medical equipment	23,504	23,504
Other plant and equipment	33,058	32,234
Total depreciation expense for the period	**433,115**	**469,347**

As at 30 June 2020 there were no indications of impairment to property, plant and equipment.

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5.1 Property, plant and equipment (cont.)

5.1.1 Depreciation expense (cont.)

Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is calculated on a straight line basis, at rates that allocate the 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 below:

Buildings	21 to 50 years
Computer equipment	4 years
Furniture and fittings	10 to 20 years
Medical equipment	10 years
Other plant and equipment	5 to 10 years

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

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

There were no indications of impairment to property, plant and equipment at 30 June 2020. The MHC held no goodwill during the reporting period.

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss. Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the MHC is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

5.2 Right-of-use assets

Year ended 30 June 2020	Vehicles ($)
At 30 June 2019	
Opening net carrying amount	-
Recognition of right-of-use assets on initial application of AASB 16	109,722
Restated opening carrying amount	**109,722**
1 July 2019	
Gross carrying amount	109,722
Accumulated depreciation	-
Accumulated impairment loss	-
Carrying amount at start of period	**109,722**
Additions	64,629
Disposals	(28,447)
Reversal of accumulated depreciation on disposal	13,945
Depreciation expense	(71,532)
Carrying amount at 30 June 2020	**88,317**
Gross carrying amount	145,904
Accumulated depreciation	(57,587)
Accumulated impairment loss	-

Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs and
- restoration costs, including dismantling and removing the underlying asset.

The MHC has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of $5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

5.2 Right-of-use assets (cont.)

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets

If ownership of the leased asset transfers to the MHC at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1

The following amounts relating to leases have been recognised in the statement of comprehensive income

	2020 $	2019 $
Depreciation expense of right-of-use assets	71,532	-
Lease interest expense	3,553	-
Expenses relating to variable lease payments not included in lease liabilities	304	-
Gains or losses arising from sale and leaseback transactions	102	-
Total amount recognised in the statement of comprehensive income	**75,491**	**-**

The total cash outflow for leases in 2020 was $70,638

The MHC's leasing activities and how these are accounted for:

The MHC has leases for vehicles.

The MHC has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Up to 30 June 2019, the MHC classified lease as either finance leases or operating leases. From 1 July 2019, the MHC recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.1.

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6. Other assets and liabilities

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

	Notes	2020 $	2019 $
Receivables	6.1	82,392	306,302
Amounts receivable for services	6.2	6,582,123	6,168,123
Inventories	6.3	12,440	20,098
Other current assets	6.4	6,114	173,369
Payables	6.5	2,056,030	2,136,799
Grant liabilities	6.6	126,894	-

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		2020	2019
6.1	**Receivables**	**$**	**$**
	Current		
	Receivables	68,885	261,363
	Allowance for impairment of receivables	(15,380)	(21,935)
	Accrued revenue	8,291	25,491
	GST receivables	20,596	41,383
	Total receivables	**82,392**	**306,302**

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.

Accounting procedure for Goods and Services Tax

Rights to collect amounts receivable from the Australian Taxation Office (ATO) and responsibilities to make payments for GST have been assigned to the 'Department of Health'. This accounting procedure was a result of application of the grouping provisions of "A New Tax System (Goods and Services Tax) Act 1999" whereby the Department of Health became the Nominated Group Representative (NGR) for the GST Group as from 1 July 2012. The entities in the GST group include the Department of Health, Mental Health MHC, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, Child and Adolescent Health Service, Health Support Services, WA Country Health Service, QE II Medical Centre Trust, PathWest Laboratory Medicine WA, Quadriplegic Centre and Health and Disability Services Complaints Office.

Revenues, expenses and assets are recognised net of the amount of associated GST. Payables and receivables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from the ATO is included with Receivables in the Statement of Financial Position.

6.1.1 Movement in the allowance for impairment of receivables

	2020	2019
Reconciliation of changes in the allowance for impairment of receivables:		
Opening balance	21,935	-
Expected credit losses expense	2,747	-
Amount recovered during the period	(6,328)	-
Amount written off during the period	(2,974)	-
Balance at end of period	**15,380**	**21,935**

The maximum exposure to credit risk at the end of the reporting period for receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures'.

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

6.2 Amounts receivable for services

Non-current amounts receivable for services	6,582,123	6,168,123

Amounts receivable for services represents 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.

Amounts receivable for services are not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

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		2020	2019
6.3	**Inventories**	**$**	**$**
	Current		
	Pharmaceutical stores - at cost	12,440	20,098

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.

6.4 Other current assets

Prepayments	6,114	173,369

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.

6.5 Payables

Current		
Trade payables (a)	707,140	383,004
Accrued salaries	772,602	590,156
Accrued expenses (a)	576,288	1,163,639
Balance at end of period	**2,056,030**	**2,136,799**

(a) Include expenses not yet paid to Department of Finance $42,975 (2018-19 $131,128) and Statefleet $nil (2018-19 $6,473).

Payables are recognised at the amounts payable when the MHC 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 MHC considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.3.1 ‘Restricted cash and cash equivalents’) consists of amounts paid annually, from the MHC appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

6.6 Grant liabilities

Current	126,894	-
Total grant liabilities	**126,894**	**-**

Grant liabilities relate to grants and contribution received from Department of Health and WA Police (Note 4.3). Income is recognised when the MHC achieves milestones specified in the grant

6.6.1 Movement in grant liabilities

Opening balance	-	-
Additions	126,894	-
Income recognised in the reporting period	-	-
Balance at the end of period	**126,894**	**-**

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7. Financing

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

	Notes
Lease liabilities	7.1
Finance costs	7.2
Cash and cash equivalents	7.3
Reconciliation of cash	7.3.1
Reconciliation of operating activities	7.3.2

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7.1 Lease liabilities	2020 $	2019 $
Current	41,255	-
Non-current	48,459	-
	89,714	**-**

The MHC measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the MHC uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the MHC as part of the present value calculation of lease liability include:

* Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
* Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
* Amounts expected to be payable by the lessee under residual value guarantees;
* The exercise price of purchase options (where these are reasonably certain to be exercised);
* Payments for penalties for terminating a lease, where the lease term reflects the MHC exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the MHC if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependant on sales are recognised by the MHC in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with note 5.2.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

7.2 Finance costs		
Lease interest expense	3,553	-

Finance costs includes the interest component of lease liability repayments.

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			2020	2019
7.3	**Cash and cash equivalents**		**$**	**$**
7.3.1	**Reconciliation of cash**			
	Cash and cash equivalents		32,913,145	23,894,996
	Restricted cash and cash equivalents			
	- Commonwealth special purpose account (b)		4,981,695	4,919,808
	- Royalties for Regions Fund (c)		44,000	-
	- Accrued salaries suspense account (a)		493,734	349,920
	Balance at end of period		**38,432,574**	**29,164,724**

(a) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. This account is classified as non-current for 10 out of 11 years. The 27th pay was paid in the 2015/16 financial year.

(b) Fund are held for specific purposes for programs relating to drug diversion, development, implementation and administration of initiatives and activities to reduce drug abuse.

(c) Unspent funds are committed to projects and programs in WA regional areas.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

7.3.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services		(723,247,349)	(714,734,108)
Non-cash items:			
Services received free of charge	4.1	1,969,238	3,008,527
Depreciation expense	5.1.1	433,115	469,347
Increment on revaluation of buildings	4.4	(475,430)	-
Loss on revaluation of land	3.6	316,300	25,700
Loss on revaluation of buildings	3.6	-	9,813
Expected credit losses expense	3.6	2,747	-
Adjustment for other non-cash items	-	(7,130)	-
(Increase)/decrease in assets:			
Current receivables (a)		230,465	275,595
Inventories		7,658	4,260
Other current assets		167,255	(152,804)
Increase/(decrease) in liabilities:			
Current payables		(80,769)	(327,963)
Current provisions		386,587	473,679
Grant liabilities		126,894	-
Non-current provisions		262,118	(249,452)
Net cash provided by/(used in) operating activities		**(719,836,770)**	**(711,197,406)**

(a) This excludes allowance for impairment of receivables as this does not form part of the reconciling item.

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8. Risks and Contingencies

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

	Notes
Financial risk management	8.1
Contingent assets and liabilities	8.2
Fair value measurements	8.3

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8.1 Financial risk management

Financial instruments held by the MHC are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The MHC has limited exposure to financial risks. The MHC's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the MHC's receivables defaulting on their contractual obligations resulting in financial loss to the MHC.

Credit risk associated with the MHC's financial assets is minimal because the debtors are predominantly government bodies. The main receivable of the MHC is the amounts receivable for services (holding account). For receivables other than government agencies the MHC trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the MHC's exposure to bad debts is minimised. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period, there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the MHC is unable to meet its financial obligations as they fall due. The MHC is exposed to liquidity risk through its normal course of operations.

The MHC has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk
Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the MHC's income or the value of its holdings of financial instruments. The MHC does not trade in foreign currency and is not materially exposed to other price risks.

(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:

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	32,913,145	23,894,996
Restricted cash and cash equivalents	5,519,429	5,269,728
Receivables (a)	77,176	286,854
Amounts receivable for services	6,582,123	6,168,123
Financial Liabilities		
Financial liabilities measured at amortised cost	2,145,744	2,136,799

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

8.1 Financial risk management (cont.)

(c) Credit risk exposure

The following table details the credit risk exposure on the MHC's trade using a provision matrix.

		Days past due					
	Total	Current	<30 days	31-60 days	61-90 days	90-180 days	>180 days
	$	$	$	$	$	$	$
30 June 2020							
Expected credit loss rate		0.00%	0.00%	0.00%	0.00%	25.96%	57.43%
Estimated total gross carrying amount at default	68,885	34,651	1,637	189	4,611	1,853	25,944
Expected credit losses	(15,380)	-	-	-	-	481	14,899
30 June 2019							
Expected credit loss rate		0.00%	0.00%	0.00%	0.00%	0.00%	47.89%
Estimated total gross carrying amount at default	261,363	183,703	20,903	2,448	6,791	1,718	45,800
Expected credit losses	(21,935)	-	-	-	-	-	21,935

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

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8.1 Financial risk management (cont.)

(d) Liquidity risk and interest rate exposure

The following table details the MHC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amount of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

		Interest rate exposure				Maturity Dates				
	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal Amount	Up to 1 month	1 - 3 months	3 months to 1 year	1 - 5 years	More than 5 year
	%	$	$	$	$	$	$	$	$	$	$
2020											
Financial Assets											
Cash and cash equivalents	-	32,913,145	-	-	32,913,145	32,913,145	32,913,145	-	-	-	-
Restricted cash and cash equivalents	1.0%	5,519,429	-	4,981,695	537,734	5,519,429	5,519,429	-	-	-	-
Receivables (a)	-	77,176	-	-	77,176	77,176	77,176	-	-	-	-
Amounts receivable for services	-	6,582,123	-	-	6,582,123	6,582,123	-	-	-	-	6,582,123
		45,091,873	-	4,981,695	40,110,178	45,091,873	38,509,750	-	-	-	6,582,123
Financial Liabilities											
Payables	-	2,056,030	-	-	2,056,030	2,056,030	2,056,030	-	-	-	-
Lease liabilities (b)	3.5%	89,714	89,714	-	-	94,611	4,232	8,463	31,077	50,839	-
		2,145,744	89,714	-	2,056,030	2,150,641	2,060,262	8,463	31,077	50,839	-
2019											
Financial Assets											
Cash and cash equivalents	-	23,894,996	-	-	23,894,996	23,894,996	23,894,996	-	-	-	-
Restricted cash and cash equivalents	2.1%	5,269,728	-	4,919,808	349,920	5,269,728	5,269,728	-	-	-	-
Receivables (a)	-	286,854	-	-	286,854	286,854	286,854	-	-	-	-
Amounts receivable for services	-	6,168,123	-	-	6,168,123	6,168,123	-	-	-	-	6,168,123
		35,619,701	-	4,919,808	30,699,893	35,619,701	29,451,578	-	-	-	6,168,123
Financial Liabilities											
Payables	-	2,136,799	-	-	2,136,799	2,136,799	2,136,799	-	-	-	-
Lease liabilities (b)	-	-	-	-	-	-	-	-	-	-	-
		2,136,799	-	-	2,136,799	2,136,799	2,136,799	-	-	-	-

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).
(b) The amount of lease liabilities includes $89,714 (2019: $0) from leased vehicles.

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8.1 Financial risk management (cont.)

(e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the MHC's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	$	$	$	$	$
2020					
Financial Assets					
Restricted cash and cash equivalents	4,981,695	(49,817)	(49,817)	49,817	49,817
Total Increase/(Decrease)		(49,817)	(49,817)	49,817	49,817

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	$	$	$	$	$
2019					
Financial Assets					
Restricted cash and cash equivalents	4,919,808	(49,198)	(49,198)	49,198	49,198
Total Increase/(Decrease)		(49,198)	(49,198)	49,198	49,198

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

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.

At the reporting date, the MHC is not aware of any contingent assets or contingent liabilities.

The MHC does not have any pending litigation that are not recoverable from RiskCover insurance at the reporting date.

Contaminated sites

Under the Contaminated Sites Act 2003, the MHC is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the MHC may have a liability in respect of investigation or remediation expenses.

At the reporting date, the MHC does not have any suspected contaminated sites reported under the Act.

8.3 Fair value measurements

Assets measured at fair value:	Level 1	Level 2	Level 3	Fair Value At end of period
2020	**$**	**$**	**$**	**$**
Non-current assets classified as held for sale (Note 9.8)	-	4,000,000	-	4,000,000
Land (Note 5.1)	-	620,000	4,578,700	5,198,700
Buildings (Note 5.1)	-	1,056,000	10,444,200	11,500,200
	-	**5,676,000**	**15,022,900**	**20,698,900**
2019				
Non-current assets classified as held for sale (Note 9.8)	-	-	4,293,700	4,293,700
Land (Note 5.1)	-	630,000	4,591,300	5,221,300
Buildings (Note 5.1)	-	1,066,000	10,189,301	11,255,301
	-	**1,696,000**	**19,074,301**	**20,770,301**

Subsequent to the merger of Mental Health MHC and Drug and Alcohol Office in 1 July 2015, the amalgamated Mental Health MHC moved to new premises in April 2016 and services ceased at old site in late 2018. As a result the site has become surplus to requirement and classified as held for sale. When revaluation was performed on 1 July 2019, this asset was transferred from Level 3 to Level 2.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings are derived using the market approach. This approach provides an indication of value by comparing the asset with identical or similar properties for which price information is available. Analysis of comparable sales information and market data provides the basis for fair value measurement.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

8.3 Fair value measurements (cont.)

Fair value measurements using significant unobservable inputs (Level 3)	Land	Buildings
2020	**$**	**$**
Fair value at start of period	7,851,300	11,223,001
Revaluation increments/(decrements) recognised in Profit or Loss	(12,600)	610,132
Transfers from/(to) Level 2	(3,260,000)	(1,033,700)
Depreciation expense	-	(355,233)
Fair value at end of period	**4,578,700**	**10,444,200**
2019		
Fair value at start of period	7,868,000	11,621,423
Revaluation increments/(decrements) recognised in Profit or Loss	(16,700)	(6,633)
Depreciation expense	-	(391,789)
Fair value at end of period	**7,851,300**	**11,223,001**

Valuation processes

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (Level 3 fair values)

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciated replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

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9. Other disclosures

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

9.1 Events occurring after the end of the reporting period

The MHC is not aware of any events occurring after the end of the reporting period that have significant financial effect on the financial statements.

9.2 Initial application of Australian Accounting Standards

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, the MHC derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to Not-for-Profit Entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) recognised by the MHC.

The MHC adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information will be restated under this approach, and the MHC recognises the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the MHC applies the standards retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. The MHC completed all performance obligation of continuing contracts, so no adjustment was required to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Refer to Note 4.1, 4.2, 4.3 and 4.4 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

	30 June 2020	Adjustments	30 June 2020 under AASB 118 and 1004
Commonwealth grants and contributions	218,091,958	-	218,091,958
Other grants and contributions	5,075,467	126,894	5,202,361
Other revenue	1,024,704	-	1,024,704
Net Result	224,192,129	126,894	224,319,023

9.2 Initial application of Australian Accounting Standards (cont.)

(b) AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The MHC applies AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than $5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the MHC takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

(a) right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate applicable to the lease term on 1 July 2019;

(b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and

(c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019. The MHC measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the MHC is not in possession of any concessionary leases at the date of transition. The right-of-use assets are assessed for impairment at the date of transition and has not identified any impairment to its right-of-use assets.

On transition, the MHC has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

(a) A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;

(b) The MHC has relied on its assessment of whether existing leases were onerous in applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. The MHC has adjusted the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the statement of financial position at 30 June 2019;

(c) Where the lease term at initial application ended within 12 months, the MHC has accounted for these as short-term leases;

(d) Initial direct costs have been excluded from the measurement of the right-of-use asset;

(e) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The MHC has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

Measurement of lease liabilities	**$**
Operating Lease Commitments disclosed as at 30 June 2019	16,273,021
(Less): Government Office Accommodation	(15,998,363)
(Less): Administered entities commitments not recognised as lease liability	(144,475)
Net lease commitment inclusive of GST	130,183
Discounted using incremental borrowing rate at date of initial application	104,219
Lease liability recognised at 1 July 2019 (excluding GST)	**104,219**
Current lease liabilities	14,396
Non-current lease liabilities	89,823

9.3 Future impact of Australian Accounting Standards not yet operative

The MHC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. By virtue of a limited exemption, the MHC has early adopted AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities. Where applicable, the MHC plans to apply the following Australian Accounting Standards from their application date.

Title		Operative for reporting periods beginning on/after
AASB 1059	*Service Concession Arrangements: Grantors*	1 Jan 2020
Nature of Change	This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The mandatory effective date of this Standard is currently 1 January 2020 after being amended by AASB 2018-5.	
Impact	The MHC does not manage any public private partnership that is within the scope of the Standard.	
AASB 2018-7	*Amendments to Australian Accounting Standards – Definition of Material*	1 Jan 2020
Nature of Change	The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	
Impact	There is no financial impact.	
AASB 2019-1	*Amendments to Australian Accounting Standards – References to the Conceptual Framework*	1 Jan 2020
Nature of Change	This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.	
Impact	There is no financial impact.	
AASB 2019-2	*Amendments to Australian Accounting Standards – Implementation of AASB 1059*	1 Jan 2020
Nature of Change	This Standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059.	
Impact	The MHC does not manage any public private partnership that is within the scope of the Standard.	
AASB 2020-1	*Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*	1 Jan 2022
Nature of Change	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non current.	
Impact	There is no financial impact.	

9.4 Compensation of Key Management Personnel

The MHC has determined that key management personnel include the responsible Minister and senior officers of the MHC. However, the MHC is not obligated for the compensation of the responsible Minister and therefore no disclosure is required. The disclosure in relation to the responsible Minister's compensation may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the MHC for the reporting period are presented within the following bands:

Compensation of Senior Officers Band ($)	2020	2019
500,001 - 510,000	1	-
470,001 - 480,000	-	1
460,001 - 470,000	-	1
360,001 - 370,000	1	-
230,001 - 240,000	-	1
220,001 - 230,000	1	1
210,001 - 220,000	1	1
200,001 - 210,000	1	1
190,001 - 200,000	1	1
180,001 - 190,000	3	1
170,001 - 180,000	-	1
130,001 - 140,000	1	-
110,001 - 120,000	1	-
90,001 - 100,000	-	2
70,001 - 80,000	-	2
60,001 - 70,000	1	1
50,001 - 60,000	1	-
10,001 - 20,000	-	1
	$	**$**
Short-term employee benefits	2,117,020	2,229,210
Post-employment benefits	259,149	300,453
Other long-term benefits	241,285	247,838
Total compensation of senior officers	**2,617,454**	**2,777,501**

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

9.5 Related Party Transactions

The MHC is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the MHC include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- all departments and public sector entities, including their related bodies, that are included in the whole of government consolidated financial statements;
- associates 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

In conducting its activities, the MHC is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- service appropriation (Note 4.1);
- contribution by owners (Note 9.11);
- services received free of charge from the other state government agencies (Note 4.1);
- grants and contribution received from other government agencies (Note 4.3).
- royalties for regions fund (Note 4.1);
- services agreement WA Health (Note 3.2);
- grants and subsidies payment to other government agencies (Note 3.3);
- specific project expenses and consuting fees (Note 3.4) and legal fees (Note 3.6) - Department of Juctice including State Solicitor's Office;
- corporate support services - Health Support Services (Note 3.4);
- purchase of outsourced services and consulting fees to Department of Health (Note 3.4);
- valuation services payment to Landgate WA (Note 3.4);
- purchase of outsourced services and communications (Note 3.4), lease rentals and accommodation (Note 3.5) and repair and maintenances (Note 3.6) to Department of Finance;
- lease rentals related payments to Department of Planning, Lands and Heritage (Note 3.5);
- workers' compensation and other insurance payment to Riskcover (Note 3.6);
- audit fees payments to Office of the Audit General (Note 3.6 and Note 9.10);
- annual monitoring related payments to Department of Fire and Emergency Services (Note 3.6);
- administration related payment to Department of Training and Workforce Development (Note 3.6);
- employment related payment to Department of The Premier and Cabinet (Note 3.6);
- return of unspent revenue to WA Police (Note 3.6);
- leave entitlements transferred, rental payment and repair and maintenance payments to be paid to Department of Finance (Note 6.5) and;
- services provided free of charge to the other state government agencies (Note 9.12).

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9.5 Related Party Transactions (cont)

Material transactions with related parties

Outside of normal citizen type transactions with the MHC, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Material transactions with other related parties

- Superannuation payments to the Government Employees Superannuation Board (GESB) (Note 3.1(a)).

9.6 Related bodies

A related body is a body that receives more than half of its funding and resources from the MHC and is subject to operational control by the MHC. The MHC had no related bodies during the financial year.

9.7 Affiliated bodies

An affiliated body is a body that receives more than half of its funding and resources from the MHC but is not subject to operational control by the MHC.

During the financial year the following affiliated bodies received the funding from the MHC:	2020 $	2019 $
Albany Halfway House Association Incorporated	1,551,019	1,380,097
Consumers of Mental Health WA	562,433	501,570
Even Keel Bipolar Support Association Incorporated	142,615	127,971
Home Health Pty Ltd (trading as Tender Care)	1,252,679	1,246,501
Local Drug Action Groups Inc.	637,175	691,318
Palmerston Association Inc.	10,468,292	9,694,362
Pathways Southwest Inc.	848,761	765,433
Richmond Wellbeing Incorporated	13,225,685	(a)
Western Australian Association for Mental Health Inc.	1,085,463	(a)
WA Council on Addictions (trading as Cyrenian House)	11,905,819	9,527,502
Total affiliated bodies	**41,679,941**	**23,934,754**

(a) During 2018-19 financial year, the MHC has provided funding amount $11,019,978 to Richmond Wellbeing Inc and $1,155,462 to Western Australian Association for Mental Health Inc.. These organisations received less than half of its funding and resources from the MHC, hence were not affiliated bodies in 2018-19.

In addition, Mental Health MHC has three affiliated bodies as determined by the Treasurer pursuant to Section 60(1)(b) of the Financial Management Act 2006 in 2015/16 financial year.

Mental Health Tribunal is a government administered body that received administrative support from, but is not subject to operational control by the MHC. It is funded by parliamentary appropriation of $2,677,000 for 2019/20 ($2,778,000 for 2018/19).

Mental Health Advocacy Service is a government administered body that received administrative support from, but is not subject to operational control by the MHC. It is funded by parliamentary appropriation of $2,719,000 for 2019/20 ($2,668,000 for 2018/19).

Office of Chief Psychiatrist is a government administered body that received administrative support from, but is not subject to operational control by the MHC. It is funded by parliamentary appropriation of $3,127,000 for 2019/20 ($3,029,000 for 2018/19).

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9.8 Non-current Assets classified as assets held for sale	2020 $	2019 $
Opening balance	4,293,700	-
Adjustment to asset valuation	(293,700)	-
Land	-	3,260,000
Buildings	-	1,033,700
Closing balance	**4,000,000**	**4,293,700**

Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

Subsequent to the merger of Mental Health MHC and Drug and Alcohol Office in 1 July 2015, the amalgamated Mental Health Commission moved to new premises in April 2016 and services ceased at old site in late 2018. As a result the site has become surplus to requirement and assessed not to be practical from use for mental health and alcohol & other drug services. Management was committed to a plan to sell and developed the decommissioning project of the site. The site has been re-zoned to enable the sales proven. Due to impact of COVID -19, the sale of property is delayed, however, since the approval of the scheme amendments by Minister of Department of Planning, Land and Heritage, the sale is still highly probable, within 12 months of reporting period.

9.9 Special purpose accounts

State Managed Fund (Mental Health) Account (a)

The purpose of the special purpose account is to hold money received by the Mental Health MHC, for the purposes of health funding under the National Health Reform Agreement that is required to be undertaken in the State through a State Managed Fund.

Balance at the start of period	-	-
Receipts:		
Service appropriations (State Government)	270,782,766	201,279,529
Commonwealth grants and contributions	106,218,675	90,698,271
	377,001,441	**291,977,800**
Payments:		
Block grant funding to local hospital networks in WA Health	(354,934,798)	(270,895,421)
Block grant funding to non-government organisation	(5,283,975)	(4,895,223)
Block grant funding to next step drug and alcohol services	(16,782,668)	(16,187,156)
Balance at the end of period	**-**	**-**

(a) Established under section 16(1)(b) of FMA.

9.10 Remuneration of auditors

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

Auditing the accounts, controls, financial statements and key performance indicators	**182,172**	**184,382**

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9.11 Equity	2020	2019
	$	$
Contributed equity		
Balance at start of period	32,135,558	32,135,558
Transactions with owners in their capacity as owners:		
Capital appropriation	72,000	-
Other contribution by owners - Royalties for Region Fund	8,663,000	-
Other distribution to owner - Department of Communities	(6,419,467)	
Balance at end of period	**34,451,091**	**32,135,558**
Asset revaluation surplus		
Balance at start of period	-	-
Net revaluation increments / (decrements) :		
Buildings	146,022	-
Balance at end of period	**146,022**	**-**
Accumulated surplus / (deficit)		
Balance at start of period	15,134,582	25,492,098
Result for the period	5,996,889	(10,335,581)
Initial application of AASB 16	5,503	-
Initial application of AASB 9	-	(21,935)
Balance at end of period	**21,136,974**	**15,134,582**
Total Equity at end of period	**55,734,087**	**47,270,140**

9.12 Services provided free of charge

Services provided free of charge to other agencies during the period:

Mental Health Tribunal - corporate services	342,462	309,691
Mental Health Advocacy Service - corporate services	350,753	276,383
Office of the Chief Psychiatrist - corporate services and accommodation	449,386	450,289
Total Services provided free of charge	**1,142,601**	**1,036,363**

9.13 Supplementary financial information

Write-offs

During the financial year 2019/20, $2,974 ($nil in 2018/19) was written off the MHC's asset register under the authority of:

The Mental Health Commissioner	2,974	-

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9.14 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for selected major variances, which are generally greater than:

10% and $1 million for the Statements of Comprehensive Income, Cash Flows and the Statements of Financial Position.

9.14.1 Explanatory statement (Statement of Comprehensive Income)

	Variance Note	Estimate 2020 $	Actual 2020 $	Actual 2019 $	Variance between estimate and actual $	Variance between actual results for 2020 and 2019 $
COST OF SERVICES						
Expenses						
Employee benefits expenses		33,669,000	36,210,328	34,742,708	2,541,328	1,467,620
Service agreement - WA Health		733,208,000	740,858,202	718,408,681	7,650,202	22,449,521
Service agreement - non government and other organisations		150,926,000	149,966,925	140,961,106	(959,075)	9,005,819
Supplies and services	1	8,358,000	11,467,373	10,564,372	3,109,373	903,001
Grants and subsidies	2, A	11,146,000	3,437,116	8,055,428	(7,708,884)	(4,618,312)
Depreciation expense	3	2,000,000	504,647	469,347	(1,495,353)	35,300
Finance costs		369,000	3,553	-	(365,447)	3,553
Accommodation expense	3	248,000	2,209,449	2,441,182	1,961,449	(231,733)
Other expenses		2,201,000	2,781,885	2,177,626	580,885	604,259
Total cost of services		**942,125,000**	**947,439,478**	**917,820,450**	**5,314,478**	**29,619,028**
Income						
Revenue						
Commonwealth grants and contributions	B	201,460,000	218,091,958	197,811,461	16,631,958	20,280,497
Other grants and contributions	4	2,402,000	5,075,467	4,893,361	2,673,467	182,106
Other revenue		302,000	1,024,704	381,520	722,704	643,184
Total income other than income from State Government		**204,164,000**	**224,192,129**	**203,086,342**	**20,028,129**	**21,105,787**
NET COST OF SERVICES		**737,961,000**	**723,247,349**	**714,734,108**	**(14,713,651)**	**8,513,241**
Income from State Government						
Service appropriation		711,143,000	710,821,000	698,281,000	(322,000)	12,540,000
Services received free of charge	5, C	4,159,000	1,969,238	3,008,527	(2,189,762)	(1,039,289)
Royalties for Regions Fund	6, D	22,297,000	16,454,000	3,109,000	(5,843,000)	13,345,000
Total income from State Government		**737,599,000**	**729,244,238**	**704,398,527**	**(8,354,762)**	**24,845,711**
SURPLUS / (DEFICIT) FOR THE PERIOD		**(362,000)**	**5,996,889**	**(10,335,581)**	**6,358,889**	**16,332,470**
OTHER COMPREHENSIVE INCOME						
Changes in asset revaluation surplus			146,022	-	146,022	146,022
Total other comprehensive income		**-**	**146,022**	**-**	**146,022**	**146,022**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(362,000)**	**6,142,911**	**(10,335,581)**	**6,504,911**	**16,478,492**

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9.14.2 Explanatory statement (Statement of Financial Position)

	Variance Note	Estimate 2020 $	Actual 2020 $	Actual 2019 $	Variance between estimate and actual $	Variance between actual results for 2020 and 2019 $
ASSETS						
Current Assets						
Cash and cash equivalents		31,892,000	32,913,145	23,894,996	1,021,145	9,018,149
Restricted cash and cash equivalents		5,334,000	5,025,695	4,919,808	(308,305)	105,887
Receivables		603,000	82,392	306,302	(520,608)	(223,910)
Inventories		24,000	12,440	20,098	(11,560)	(7,658)
Other current assets		21,000	6,114	173,369	(14,886)	(167,255)
Non-current assets classified as held for sale	7	-	4,000,000	4,293,700	4,000,000	(293,700)
Total Current Assets		**37,874,000**	**42,039,786**	**33,608,273**	**4,165,786**	**8,431,513**
Non-Current Assets						
Restricted cash and cash equivalents		-	493,734	349,920	493,734	143,814
Amounts receivable for services	3	8,168,000	6,582,123	6,168,123	(1,585,877)	414,000
Property, plant and equipment	7	22,428,000	16,995,213	16,824,366	(5,432,787)	170,847
Right-of-use assets	3	8,427,000	88,317	-	(8,338,683)	88,317
Total Non-Current Assets		**39,023,000**	**24,159,387**	**23,342,409**	**(14,863,613)**	**816,978**
TOTAL ASSETS		**76,897,000**	**66,199,173**	**56,950,682**	**(10,697,827)**	**9,248,491**
LIABILITIES						
Current Liabilities						
Payables		1,797,000	2,056,030	2,136,799	259,030	(80,769)
Employee benefits provisions		6,185,000	5,986,704	5,600,117	(198,296)	386,587
Lease liabilities		-	41,255	-	41,255	41,255
Grant liabilities		-	126,894	-	126,894	126,894
Total Current Liabilities		**7,982,000**	**8,210,883**	**7,736,916**	**228,883**	**473,967**
Non-Current Liabilities						
Employee benefits provisions		2,092,000	2,205,744	1,943,626	113,744	262,118
Lease liabilities		8,737,000	48,459	-	(8,688,541)	48,459
Total Non-Current Liabilities		**10,829,000**	**2,254,203**	**1,943,626**	**(8,574,797)**	**310,577**
TOTAL LIABILITIES		**18,811,000**	**10,465,086**	**9,680,542**	**(8,345,914)**	**784,544**
NET ASSETS		**58,086,000**	**55,734,087**	**47,270,140**	**(2,351,913)**	**8,463,947**
EQUITY						
Contributed equity		34,992,000	34,451,091	32,135,558	(540,909)	2,315,533
Reserves		-	146,022	-	146,022	146,022
Accumulated surplus		23,094,000	21,136,974	15,134,582	(1,957,026)	6,002,392
TOTAL EQUITY		**58,086,000**	**55,734,087**	**47,270,140**	**(2,351,913)**	**8,463,947**

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9.14.3 Explanatory statement (Statement of Cash Flows)

	Variance Note	Estimate 2020 $	Actual 2020 $	Actual 2019 $	Variance between estimate and actual $	Variance between actual results for 2020 and 2019 $
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		709,143,000	710,407,000	697,940,000	1,264,000	12,467,000
Capital appropriations	3	1,349,000	72,000	-	(1,277,000)	72,000
Royalties for Regions Fund - Capital	9, G	-	8,663,000	-	8,663,000	8,663,000
Payment to Department of Communities - Royalties for Regions capital	9, G	-	(6,419,467)	-	(6,419,467)	(6,419,467)
Royalties for Regions Fund - Recurrent	6, D	23,805,000	16,454,000	3,109,000	(7,351,000)	13,345,000
Net cash provided by State Government		**734,297,000**	**729,176,533**	**701,049,000**	**-5,120,467**	**28,127,533**
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits expenses		(33,501,000)	(35,117,917)	(34,807,595)	(1,616,917)	(310,322)
Service agreement - WA Health		(733,208,000)	(740,850,059)	(718,416,824)	(7,642,059)	(22,433,235)
Service agreement - non government and other organisations		(150,926,000)	(150,176,087)	(141,293,516)	749,913	(8,882,571)
Supplies and services	1, E	(4,315,000)	(9,264,737)	(7,806,468)	(4,949,737)	(1,458,269)
Grants and subsidies	2, A	(11,146,000)	(3,437,116)	(8,111,263)	7,708,884	4,674,147
Finance costs		(369,000)	(3,553)	-	365,447	(3,553)
Accommodation expense	3	(230,000)	(2,203,616)	(2,429,064)	(1,973,616)	225,448
Other payments		(2,126,000)	(2,647,653)	(1,805,004)	(521,653)	(842,649)
Receipts						
Commonwealth grants and contributions	B	201,460,000	218,218,852	197,811,461	16,758,852	20,407,391
Other grants and contributions	4	2,402,000	5,075,467	4,893,361	2,673,467	182,106
Other receipts		302,000	569,649	767,506	267,649	(197,857)
Net cash used in operating activities		**(731,657,000)**	**(719,836,770)**	**(711,197,406)**	**11,820,230**	**(8,639,364)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	10	(1,508,000)	(5,110)	(20,535)	1,502,890	15,425
Net cash used in investing activities		**(1,508,000)**	**(5,110)**	**(20,535)**	**1,502,890**	**15,425**
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Lease payments	3	(1,349,000)	(66,804)	-	1,282,196	(66,804)
Net cash used in financing activities		**(1,349,000)**	**(66,804)**	**-**	**1,282,196**	**(66,804)**
Net increase / (decrease) in cash and cash equivalents	8, F	(217,000)	9,267,850	(10,168,941)	9,484,850	19,436,791
Cash and cash equivalents at the beginning of the period		37,443,000	29,164,724	39,333,665	(8,278,276)	(10,168,941)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**37,226,000**	**38,432,574**	**29,164,724**	**1,206,574**	**9,267,850**

9.14 Explanatory statement (Controlled Operations) (cont.)

Major Estimate and Actual (2020) Variance Narratives for Controlled Operations

1 Variance is mainly attributable to additional funding relating to external funding agreements for 2019-20 such as Strong Spirit Strong Minds, Alcohol Think Again program and Take Home Naloxone Pilot program which was agreed post budget settings. In addition, MHC has increased expenditure in response to the COVID-19 pandemic for advertising campaigns.

2 The net variance of $7.7 million is primarily attributable to the change of accounting treatment for the constructed facilities in recognising capital grants as distribution of equity to Department of Communities for the step up/ step down programs relating to Bunbury, Karratha and Kalgoorlie in 2019-20 estimate of $10.9 million; and offset by the once-off grant expenditures of $3.4 million associated with the purchase of additional Individualised Community Living Strategy houses, the National Disability Insurance Scheme (NDIS) Access Support for People with Psychosocial Disability program and expenditure in response to the COVID-19 pandemic towards community mental health services.

3 Variance is attributable to accounting treatment related to AASB 16 Leases. At the time when the 2019-20 Budget was finalised, Government Office Accommodation lease was treated under AASB 16, however, these are not recognised in 2019-20 actual under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred. This has an impact on actual and estimated lease depreciation expense, interest expense, right-of use- assets and liabilities, capital contribution and lease payments. Please refer to Note 5.2 'Right-of-use assets'.

4 The variance is due to external funding agreements for 2019-20 not being finalised prior to the 2019-20 Budget.

5 The variance is primarily attributed to the representation of business drivers relating to ICT and HR services provided free of charge been reallocated to other entities.

6 The net variance of $5.8 million for Royalties for Regions Fund between the 2020 Actual and the 2020 Estimate is due to the following:
- Increases in actual of $5.9 million due to a delay in receiving 2018-19 revenues, which were received in 2019-20 for the North West Drug and Alcohol Support Program.
- Decrease of $10.9 million included in 2019-20 Estimate for construction costs for step up/step down facilities in Karratha, Bunbury and Kalgoorlie which has been impacted by a change of accounting treatment recognising the operating revenue as contribution of equity from Royalties for Region Fund;
- Decrease in actual due to re-flowing $0.7 million for the step up/step down facility in Bunbury and $0.2 million for the North West Drug and Alcohol Support Program.

7 Variance is directly attributed to reclassification of one asset from non-current property, plant and equipment to current assets in accordance with AASB 5. At the time when the 2019-20 Budget was finalised (prior to 2018-19 Actual) the probability of the sale was not available hence budget was allocated to non-current property, plant and equipment. Therefore the variance is due to the timing of recognising the actual and establishing a budget for this item.

8 In comparison with 2020 estimated cash and cash equivalents, the movement of $9.5 million is mainly attributed to net increase of $9.3 million in cash and cash equivalents in 2019/20 primarily attributable to the following:
- Timing of $8.0 million from Department of Primary Industries and Regional Development of the final drawdown for Royalties for Region funded programs, which was receipted in July 2019.
- $6.6 million increase in service appropriation in 2019-20 from State Government that will be used in 2020-21 ($3.9 million) and 2021-22 ($2.7 million) to meet COVID-19 expenditures; and
- offset by additional cash payments from the MHC cash reserve relating to increased expenditures for the delivery of mental heath services.

9 The variance between major estimate and actual is due to the estimate figures being recorded against Royalties for Regions Fund - recurrent and grant and subsidies payments line items, whilst the 2019-20 actual has been recorded as contribution of equity from Royalties for Regions Fund and distribution of equity to Department of Communities due to the change of accounting treatment for the constructed facilities relating to the Royalties for Regions funded step up/step down facilities in Bunbury, Geraldton, Kalgoorlie and Karratha.

10 The variance of $1.5 million is primarily attributable to a change in accounting treatment relating to the Geraldton step up/step down facility.The 2019-20 estimate relfects the payment as purchase of non-current assets and the 2019-20 actual represents this as a distribution of equity to the Department of Communities.

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

9.14 Explanatory statement (Controlled Operations) (cont.)

Major Actual (2020) and Comparative (2019) Variance Narratives for Controlled Operations

A The net decrease of $4.6 million in grant and subsidies expenditures is primarily attributable to the change of accounting treatment for constructed facilities in recognising grant expense as distribution of equity for the step up/step down facilities in 2019-20.

B Commonwealth grants and contributions revenue increased by $20.3 million (10.3%) in 2019-20 from 2018-19 due to increased National Health Reform Funding for specialised mental health services arising from a change in the mix of services eligible as in-scope activity.

C The net decrease of $1.0 million is mainly attributed to the representation of business drivers relating to ICT and HR services provided free of charge been reallocated to other entities.

D Royalties for Regions funding increased by $13.3 million (429.2%) in 2019-20 from 2018-19 due to:
- $12.2 million of funding being received for the North West Drug and Alcohol Support Program in 2019-20, which included $5.9 million relating to 2018-19;
- $1.8 million relating to the South West Alcohol and Other Drug Residential and Rehabilitation Treatment Services due to increasing the service operating from six months in 2018-19 to twelve months in 2019-20; and
- offset by $0.7 million reduction in operating revenue relating to step up/step down facility in Kalgoorlie and completion of Ice Breaker program in 2018-19.

E Variance is mainly attributable to additional funding relating to external funding agreements for 2019-20 such as Strong Spirit Strong Minds, Alcohol Think Again program and Take Home Naloxone Pilot program which was agreed post budget settings. In addition, MHC has increased expenditure in response to the COVID-19 pandemic for advertising campaigns.

F In comparison with 2019 actual cash and cash equivalents, the movement of $19.4 million is largely related to 2018-19 deficit ($10.1 million) in addition to the net increase of $9.3 million in 2019/20 due to the following:
- Timing of $8.0 million from Department of Primary Industries and Regional Development of the final drawdown for Royalties for Region funded programs, which was receipted in July 2019;
- $6.6 million increase in service appropriation in 2019-20 from State Government that will be used in 2020-21 ($3.9 million) and 2021-22 ($2.7 million) to meet COVID-19 expenditures; and
- offset by additional cash payments from the MHC cash reserve relating to increased expenditures for the delivery of mental heath services.

G The variance is due to the change of accounting treatment for the constructed facilities relating to the Royalties for Regions funded step up/step down facilities in Bunbury, Geraldton, Kalgoorlie and Karratha in recognising the operating revenue as contribution of equity from Royalties for Regions Fund and grant expense as distribution of equity to Department of Communities. Please refer to Note 9.11 'Equity' and Note 3.3 ' Grant and subsidies'.

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

10. Administered disclosures

This section sets out all of the statutory disclosures regarding the financial performance of the MHC.

	Notes
Disclosure of administered income and expenses by service	10.1
Disclosure of administered assets and liabilities	10.2
Explanatory statement for administered income and expenses	10.3

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

10.1 Disclosure of administered income and expenses by service

	2020 Hospital Bed Based Services $	2019 Hospital Bed Based Services $
Income		
Appropriations from Government for transfer to :		
Mental Health Tribunal	2,677,000	2,778,000
Mental Health Advocacy Service	2,719,000	2,668,000
Office of Chief Psychiatrist	3,127,000	3,029,000
Service received free of charge (a)	1,221,517	1,093,342
Other revenue	21,302	9,020
Total administered income	**9,765,819**	**9,577,362**
Expenses		
Employee benefits expense	8,112,646	7,725,066
Supplies and services	1,280,483	1,299,371
Depreciation expense	12,654	
Finance costs	710	
Accommodation expense	428,072	545,966
Other expenses	193,591	198,048
Total administered expenses	**10,028,156**	**9,768,451**

(a) Service received free of charge in 2019/20 includes $1,142,601 ($1,036,363 in 2018/19) from MHC (refer to note 9.12 'Services provided free of charge'), $24,732 ($31,174 in 2018/19) from State Solicitor Office and $54,184 from Department of Finance ($28,805 in 2018/19).

10.2 Disclosure of administered assets and liabilities

Current Assets		
Cash and cash equivalents	1,637,368	1,804,224
Receivables	25,759	16,042
Other current assets	-	1,784
Total Administered Current Assets	1,663,127	1,822,050
Non-Current Assets		
Right-of-use assets	24,519	-
Total Administered Assets	**1,687,646**	**1,822,050**
Current Liabilities		
Payables	167,264	280,539
Provision	1,269,802	1,045,508
Lease Liabilities	10,547	-
Total Administered Current Liabilities	1,447,613	1,326,047
Non-Current Liabilities		
Provision	247,548	256,436
Lease Liabilities	14,248	
Total Administered Non-Current Liabilities	261,796	256,436
Total Administered Liabilities	**1,709,409**	**1,582,483**

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

10.3 Explanatory statement for administered income and expenses

All variances between estimates (original budget) and actual results for 2020, between the actual results for 2020 and 2019 are below. Narratives are provided for key major variances, which are generally greater than 10% and $1 mil.

10.3.1 Explanatory statement for Administered Items (Statement of Comprehensive Income)

	Variance Note	Estimate 2020 $	Actual 2020 $	Actual 2019 $	Variance between estimate and actual $	Variance between actual results for 2020 and 2019 $
Income						
For transfer:						
Administered appropriation						
Mental Health Tribunal		2,677,000	2,677,000	2,778,000	-	(101,000)
Mental Health Advocacy Service		2,719,000	2,719,000	2,668,000	-	51,000
Office of Chief Psychiatrist		3,127,000	3,127,000	3,029,000	-	98,000
Service received free of charge		1,089,000	1,221,517	1,093,342	132,517	128,175
Other revenue		-	21,302	9,020	21,302	12,282
Total administered income		**9,612,000**	**9,765,819**	**9,577,362**	**153,819**	**188,457**
Expenses						
Employee benefits expense		7,719,000	8,112,646	7,725,066	393,646	387,580
Supplies and services		1,307,000	1,280,483	1,299,371	(26,517)	(18,888)
Depreciation expense		326,000	12,654	-	(313,346)	12,654
Finance costs		41,000	710	-	(40,290)	710
Accommodation expense		-	428,072	545,966	428,072	(117,894)
Other expenses		238,000	193,591	198,048	(44,409)	(4,457)
Total administered expenses		**9,631,000**	**10,028,156**	**9,768,451**	**397,156**	**259,705**

Mental Health Commission
Notes to the Financial Statements
For the year ended 30 June 2020

10.3.2 Explanatory statement for Administered Items (Statement of Financial Position)

	Variance Note	Estimate 2020 $	Actual 2020 $	Actual 2019 $	Variance between estimate and actual $	Variance between actual results for 2020 and 2019 $
ASSETS						
Current Assets						
Cash and cash equivalents		1,942,000	1,637,368	1,804,224	(304,632)	(166,856)
Receivables		58,000	25,759	16,042	(32,241)	9,717
Other current assets		-	-	1,784	-	(1,784)
Total Administered Current Assets		**2,000,000**	**1,663,127**	**1,822,050**	**(336,873)**	**(158,923)**
Non-Current Assets						
Right-of-use assets		978,000	24,519	-	(953,481)	24,519
Total Administered Non-Current Assets		**978,000**	**24,519**	**-**	**(953,481)**	**24,519**
TOTAL ADMINISTERED ASSETS		**2,978,000**	**1,687,646**	**1,822,050**	**(1,290,354)**	**(134,404)**
LIABILITIES						
Current Liabilities						
Payables		241,000	167,264	280,539	(73,736)	(113,275)
Provisions		1,129,000	1,269,802	1,045,508	140,802	224,294
Lease Liabilities		-	10,547	-	10,547	10,547
Total Administered Current Liabilities		**1,370,000**	**1,447,613**	**1,326,047**	**77,613**	**121,566**
Non-Current Liabilities						
Provisions		200,000	247,548	256,436	47,548	(8,888)
Lease Liabilities		997,000	14,248	-	(982,752)	14,248
Total Administered Non-Current Liabilities		**1,197,000**	**261,796**	**256,436**	**(935,204)**	**5,360**
TOTAL ADMINISTERED LIABILITIES		**2,567,000**	**1,709,409**	**1,582,483**	**(857,591)**	**126,926**

Certification of KPIs

Mental Health Commission

Certificate of Key Performance Indicators for the year ended 30 June 2020.

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Mental Health Commission and fairly represent the performance of the Mental Health Commission for the financial year ended 30 June 2020.

Jennifer McGrath
Acting Commissioner
Mental Health Commission
Accountable Authority

16 September 2020

Auditor General's Opinion of Financial Statements and KPIs

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

MENTAL HEALTH COMMISSION

Report on the financial statements

Opinion

I have audited the financial statements of the Mental Health Commission which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

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 Mental Health Commission for the year ended 30 June 2020 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 Responsibility for the Audit of the Financial Statements section of my report. I am independent of the Commission 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 Commission for the financial statements

The Commission 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 Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor General's Opinion of Financial Statements and KPIs

In preparing the financial statements, the Commission is responsible for assessing the entity'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 Commission.

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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

Report on controls

Opinion
I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Mental Health Commission. The controls exercised by the Commission are those policies and procedures established by the Commission 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 Mental Health Commission 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 2020.

The Commission's responsibilities
The Commission 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.

Auditor General's Opinion of Financial Statements and KPIs

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 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 non-compliance 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 Mental Health Commission for the year ended 30 June 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 Mental Health Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2020.

Matter of Significance
The Commission received an exemption from the Under Treasurer from reporting the following key performance indicators for the year ended 30 June 2020:

- Average cost per purchased bed-day in mental health 24-hour and non-24-hour staffed community bed-based services
- Average cost per closed treatment episode in alcohol and other drug residential rehabilitation and low medical withdrawal services
- Average cost per purchased treatment day of ambulatory care provided by public clinical mental health services

Auditor General's Opinion of Financial Statements and KPIs

- Average cost per closed treatment episode in community treatment-based alcohol and other drug services
- Average cost per hour for community support provided to people with mental health issues
- Average cost per episode of care in safe places for intoxicated people.

The exemption was approved due to difficulties in the Commission's ability to complete its validation audit for the above key efficiency indicators within the required timeframe, because of COVID-19 pandemic restrictions. Consequently, these key performance indicators have been reported as estimates and have not been audited. My opinion is not modified in respect of this matter.

The Commission's responsibility for the key performance indicators
The Commission 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 Commission 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 Commission 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 entity'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.

Auditor General's Opinion of Financial Statements and KPIs

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 Mental Health Commission for the year ended 30 June 2020 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.

SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
21 September 2020

Detailed Key Effectiveness Indicators Information – Certified KPIs

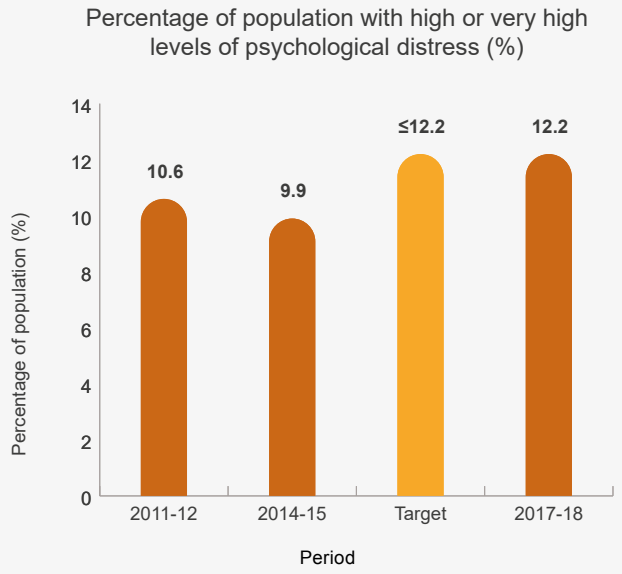
Outcome 1: Improved mental health and wellbeing

Key Effectiveness Indicator 1.1: Percentage of the population with high or very high levels of psychological distress

Measures the psychological distress of the Western Australia population. A higher proportion of people with high or very high levels of psychological distress is indicative of potential population requiring mental health services.

Data for the indicator is derived from the 10-item Kessler Psychological Distress Scale (K10) administered as part of the Australian Bureau of Statistics (ABS) National Health Survey, which is conducted every three years.

The most recent National Health Survey (2017-18) indicated that the percentage of the Western Australian population with high or very high levels of psychological distress (12.2%) was equal to the 2019-20 target of ≤12.2% and 2.3 percentage points higher than the 2014-15 result (9.9%).



Outcome 2: Reduced incidence of use and harm associated with alcohol and other drug use

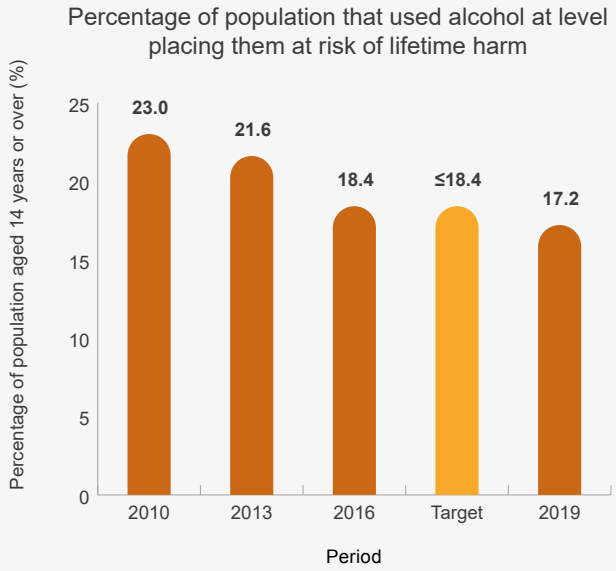
Key Effectiveness Indicator 2.1: Percentage of the population aged 14 years and over reporting recent use of alcohol at a level placing them at risk of lifetime harm

Measures the percentage of the Western Australian population aged 14 years and over reporting alcohol consumption at levels placing them at risk of lifetime harm. Data for the indicator is derived from the National Drug Strategy Household Survey (NDSHS); a national survey conducted every three years that provides a view of reported illicit drug and alcohol use over time.

This indicator reflects the impact of preventative initiatives across a range of government departments, including the Commission, on reducing the incidence of use and harm associated with alcohol consumption.

Alcohol-related risk of harm is determined using the 2009 National Health and Medical Research Council guidelines. The 2009 guidelines recommend that for healthy men and women, drinking no more than two standard drinks on any day reduces the lifetime risk of harm from alcohol-related disease or injury. Preventing or delaying the onset of risky alcohol consumption contributes to the prevention of long-term health related harm.

The most recent survey conducted in 2019 indicated the percentage of the Western Australian population aged 14 years and over reporting use of alcohol at lifetime risky levels (17.2%) was below the 2019-20 target of ≤18.4% and 1.2 percentage points lower than the proportion reported in the 2016 survey (18.4%).



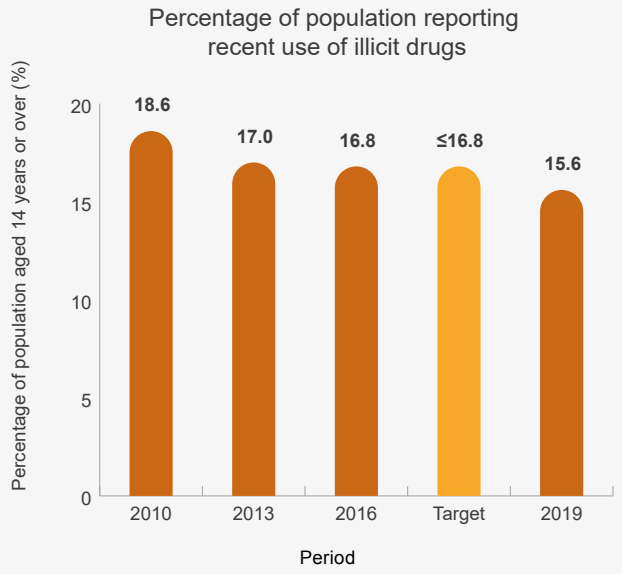
Detailed Key Effectiveness Indicators Information

Key Effectiveness Indicator 2.2: Percentage of the population aged 14 years and over reporting recent use of illicit drugs

Measures the proportion of the Western Australian population aged 14 years and over reporting recent use of illicit drugs. The term 'illicit drugs', as reported in the National Drug Strategy Household Survey (NDSHS), includes illegal drugs (such as cannabis, ecstasy, heroin and cocaine), prescription pharmaceuticals (such as tranquillisers, sleeping pills, and opioids) used for non-medical purposes, and volatile substances used inappropriately such as inhalants. The term 'recent use' refers to drug use within 12 months prior to being surveyed. The NDSHS is conducted every three years and is coordinated by the Australian Institute of Health and Welfare (AIHW).

Reducing illicit drug use lowers the impact of short-term risk and contributes to the prevention of long-term health related harm. This indicator reflects the impact of preventative initiatives of a range of government departments, including the Commission, on reducing the incidence of use and harm associated with illicit drug use.

The most recent survey conducted in 2019 stated the proportion of the Western Australian population aged 14 years and over reporting recent use of illicit drugs (15.6%) was lower than the 2019-20 target of ≤16.8% and 1.2 percentage points lower than the proportion reported in the 2016 survey (16.8%).

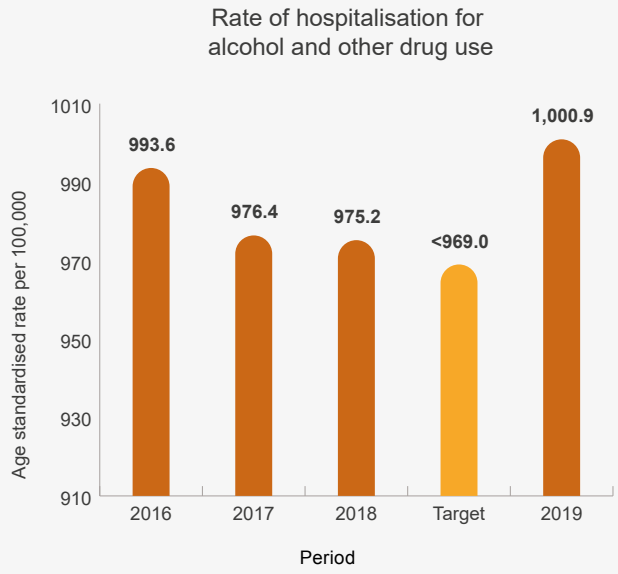


Key Effectiveness Indicator 2.3: Rate of hospitalisation for alcohol and other drug use

Measures the age-standardised rate of hospitalisations attributable to alcohol and other drug use per 100,000 population. In order to determine what proportion of hospitalisations are likely due to the effects of acohol and other drugs, estimates are used. These estimates are called Aetiological Fractions (AFs) and are based on published literature. Hospitalisation data is a robust measure of harmful health effects attributable to the use of alcohol and other drugs in the community. Data is provided by Department of Health's Epidemiology Branch and is for the calendar year.

This indicator reflects the effectiveness of preventative initiatives of a range of government departments, including the Commission, and alcohol and other drugs services that aim to provide high quality and appropriate treatments and supports to reduce the harm associated with alcohol and other drug use. It can be broadly interpreted as a measure of the impact of alcohol and other drug use on the health of the general population of Western Australia.

The latest available data is for the 2019 calendar year and the age-standardised rate of hospitalisations attributable to alcohol and other drug use is 1,000.9 per 100,000 population, 3.3% higher than the 2019-20 target (≤969.0 per 100,000 population) and 2.6% higher than the rate for the 2018 calendar year (975.2 per 100,000 population).



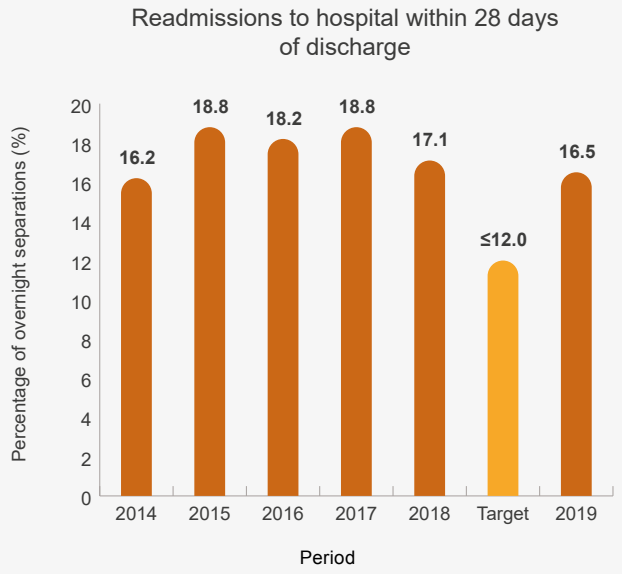
Outcome 3: Accessible, high quality and appropriate mental health and alcohol and other drug treatments and supports

Key Effectiveness Indicator 3.1: Readmissions to hospital within 28 days of discharge from acute specialised mental health units

Measures the proportion of overnight separations from acute specialised mental health inpatient units that are followed by a readmission to the same or another specialised mental health inpatient unit within 28 days of discharge. This indicator measures the appropriateness and quality of care provided by mental health services. The readmission rate is an indicator of the objective to provide effective care and continuity of care in the delivery of mental health services.

Admissions to a specialised mental health inpatient unit following a recent discharge may indicate that inpatient treatment was either incomplete or ineffective, or that follow-up care was inappropriate or inadequate to maintain the person out of hospital. Data is provided by the Department of Health's Hospital Morbidity Data Collection and is for the calendar year.

In 2019, the readmission rate to acute mental health inpatient facilities within 28 days of discharge was 16.5%. This result is 4.5 percentage points higher than the 2019-20 target of less than or equal to 12.0% but 0.6 percentage points below the 2018 result of 17.1%. Since 2014, readmission rates have been impacted by the introduction of new models of care such as Hospital in the Home. It should be noted that the readmission rate does not differentiate between planned and unplanned readmissions, which can affect the overall readmission rates. Planned readmissions may be part of a staged discharge plan or the model of care for the diagnosis.

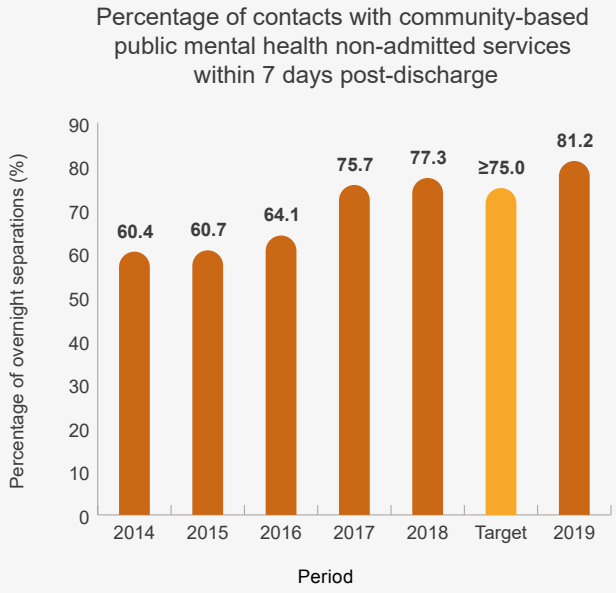


Key Effectiveness Indicator 3.2: Percentage of contacts with community-based public mental health non-admitted services within 7 days post-discharge from public mental health inpatient units

Measures the proportion of overnight separations from public mental health inpatient units where a community-based mental health service contact occurred within seven days following discharge. Seven days was recommended nationally as an indicative time period for contact within the community following discharge from hospital. This indicator measures the quality of care provided by mental health services. It is an indicator of the objective to provide continuity of care in the delivery of mental health services. Data is sourced from the Mental Health Information System (MHIS), Hospital Morbidity Data Collection, Department of Health, and is for the calendar year.

A higher percentage of contact with mental health services within seven days post-discharge should lead to a lower proportion of readmissions. These community treatment services provide ongoing clinical treatment and access to a range of programs that maximise an individual's independent functioning and quality of life. Discharge from mental health inpatient units is a critical transition point in the delivery of mental health care. People leaving hospital after an admission for an episode of mental illness have heightened levels of vulnerability and, without adequate follow up, may relapse and/or need to be readmitted.

In 2019, 81.2% of patients had contact with a community mental health treatment service within seven days post discharge from a public mental health inpatient unit. This result is 6.2 percentage points higher than the national target of greater than or equal to 75% and 3.9 percentage points higher than the 2018 result of 77.3%. As seen over the six-year period, the Commission's focus on regular review and reporting of this indicator is assisting Health Service Providers in achieving the national target.

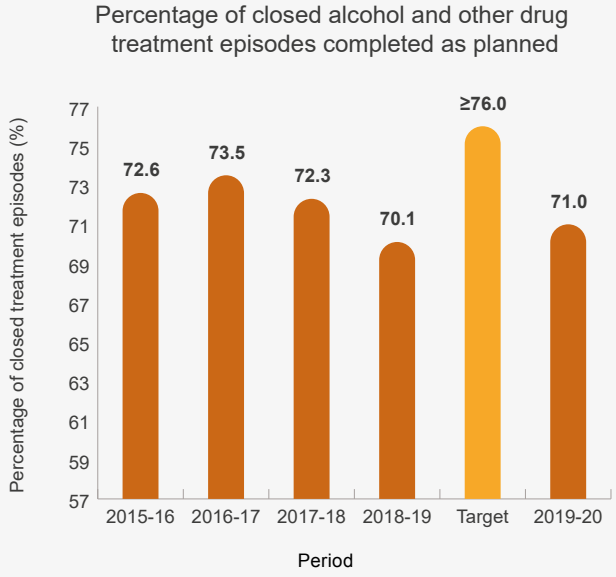


Detailed Key Effectiveness Indicators Information

Key Effectiveness Indicator 3.3: Percentage of closed alcohol and other drug treatment episodes completed as planned

Measures the percentage of closed treatment episodes in alcohol and other drug treatment services that were completed as planned. An episode is the period of care between the start and end of treatment. A high percentage of closed alcohol and other drug treatment episodes completed as planned is indicative of high quality and appropriate care in alcohol and other drug treatment and support. Data is sourced from the Commission's De-identified Treatment Agency Database and is for the 12-month period from April to March to allow for a three-month lag for coding and auditing purposes.

In 2019-20, the percentage of closed treatment episodes that were completed as planned was 71%. This result is 5 percentage points lower than the 2019-20 target of greater than or equal to 76.0% and 0.9 percentage points higher than the 2018-19 result of 70.1%. The Commission is continuing to work towards the target to ensure high quality and appropriate care.



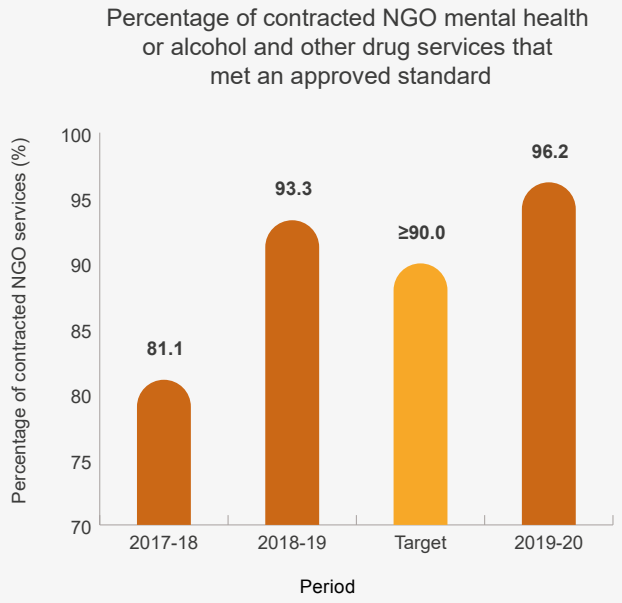
Detailed Key Effectiveness Indicators Information

Key Effectiveness Indicator 3.4: Percentage of contracted non-government mental health or alcohol and other drug services that met an approved standard

Measures the appropriateness and quality of mental health and alcohol and other drug treatment services provided by organisations against an approved accreditation standard. All Commission funded services delivering mental health and alcohol and other drug treatment are required to be accredited and maintain accreditation against an approved standard. Data is sourced from the Mental Health Commission, Sector and Quality Evaluation Management and is for the calendar year.

Access to high quality services provides clients confidence in the services and support available to them.

In 2019-20, the percentage of non-government mental health and alcohol and other drug organisations that met an approved standard was 96.2%. This result is 6.2 percentage points higher than the 2019-20 target of ≤90%.



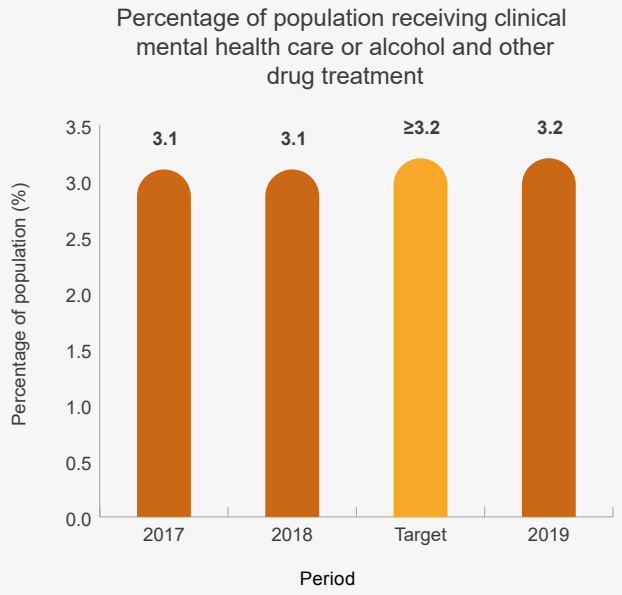
This is a new indicator consolidating the previous two indicators – "Percentage of contracted non-government mental health services that met the National Standards for Mental Health Services through independent evaluation" and "Percentage of contracted non-government alcohol and other drug services that met an approved accreditation standard". The results shown for 2017-18 and 2018-19 in the graph above have been restated to align to the new indicator.

Key Effectiveness Indicator 3.5: Percentage of the population receiving public clinical mental health care or alcohol and other drug treatment

Measures the proportion of the Western Australian population using a specialised public mental health service or receiving public alcohol and other drug treatment. A higher percentage is indicative of greater accessibility to these services by those in need. Data is sourced from the Mental Health Information System (MHIS), Department of Health, and the Hospital Morbidity Data Collection, Department of Health. The population figures are sourced from the ABS time series workbook 3101.0 Population by age and sex, Australian States and Territories, Western Australia. Data is for the calendar year based on the ABS June 2019 population estimate released December 2019 and last updated on 20 June 2019.

The Alcohol and other Drug Treatment Services National Minimum Data Set (AODTS NMDS) collection covers the majority of publicly funded alcohol and other drug treatment services, including government and non-government organisations. It is noted that it is difficult to fully quantify the scope of alcohol and other drug services in Australia as people receive treatment for alcohol and other drug-related issues in a variety of settings not in scope for the AODTS NMDS. The out-of-scope services include but are not exclusive to private treatment agencies, prisons, accommodation services and general practitioners.

In 2019, the percentage of the Western Australian population receiving public mental health care was 3.2%. This result is equal to the 2019-20 target of greater than or equal to 3.2%.



This is a new indicator consolidating the previous two indicators – "Percentage of the population receiving public clinical mental health care" and "Percentage of the population receiving public alcohol and other drug treatment". The results shown for 2017 and 2018 in the graph above have been restated to align to the new indicator.

Detailed Key Efficiency Indicators Information

Service 1: Prevention

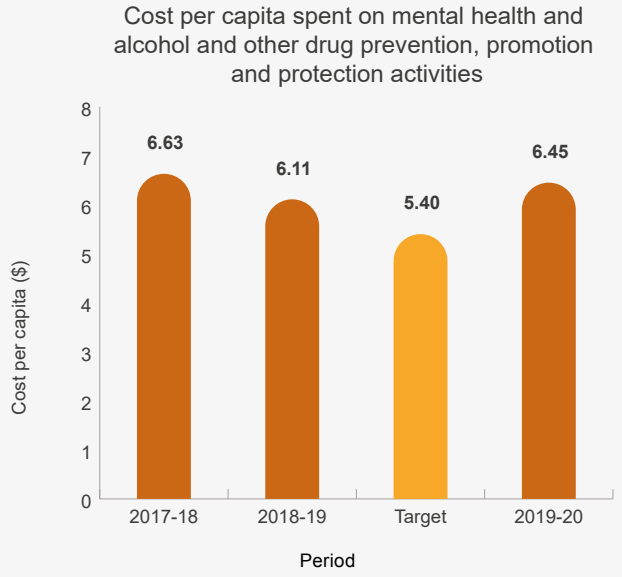
Key Efficiency Indicator 1.1: Cost per capita spent on mental health and alcohol and other drug prevention, promotion and protection activities

Measures the per capita expenditure by the Commission on mental health and alcohol and other drug prevention, promotion and protection activities by the Western Australian population. This indicator monitors investment by the Commission in activities that aim to eliminate or reduce modifiable risk factors associated with individual, social and environmental health determinants to enhance mental health and wellbeing and prevent mental illnesses and alcohol and other drug-related harm before they occur. The aim is to increase the proportional investment in the prevention service and gain a return in health, economic and social benefits for the Western Australian community.

Data is sourced from the Commission's Financial Systems, while population figures are from the ABS time series workbook 3101.0 Population by age and sex, Australian States and Territories, Western Australia.

The population data for the 2019-20 result is based on the ABS June 2019 population estimate, released in December 2019 and last updated on 25 July 2020. Cost data is for the financial year.

In 2019-20, the cost per capita spent on mental health and alcohol and other drug prevention, promotion and protection activities was $6.45. The result is 19.4% higher than the 2019-20 target of $5.40. The higher result for 2019-20 was due to external funding agreements for 2019-20 not being finalised prior to the 2019-20 target being set and additional expenditure being incurred in response to the COVID-19 pandemic.



This is a new indicator consolidating the previous two indicators – "Cost per capita to enhance mental health and wellbeing and prevent suicide (illness prevention, promotion and protection activities)" and "Cost per capita of the population 14 years and above for initiatives that delay the uptake and reduce the harm associated with alcohol and other drugs". The results shown for 2017-18 and 2018-19 in the graph above have been restated to align to the new indicator.

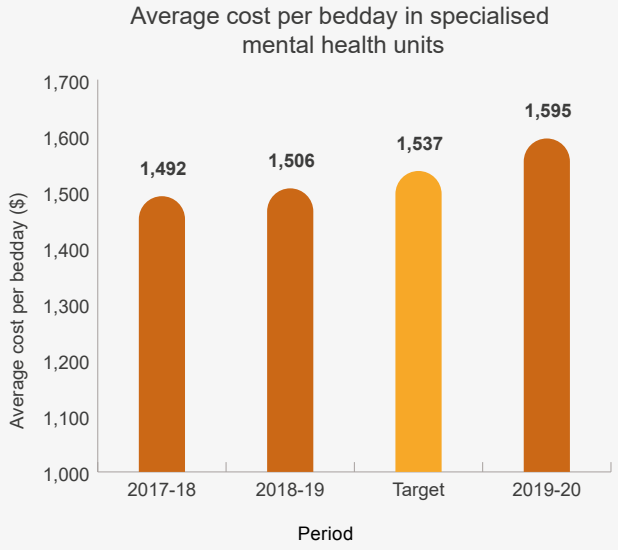
Service 2: Hospital Bed Based services

Key Efficiency Indicator 2.1: Average cost per purchased bedday in specialised mental health units

Measures the average cost per purchased bedday in specialised acute and sub-acute mental health units. Cost per inpatient bedday is defined as expenditure on inpatient services divided by the number of inpatient beddays for acute and subacute units. Data is for the financial year and is drawn from the Commission's Financial Systems, BedState from the Department of Health, and Next Step data extracted from the Commission's De-identified Treatment Agency Database.

Acute hospital beds provide hospital-based inpatient assessment and treatment services for people experiencing severe episodes of mental illness who cannot be adequately treated in a less restrictive environment. Acute inpatient services also include the Next Step inpatient withdrawal units. Sub-acute hospital short stay services provide hospital-based treatment and support in a safe, structured environment for people with unremitting and severe symptoms of mental illness and an associated significant disturbance in behaviour. Sub-acute services provide support for adults, older adults and a selected number of young people with special needs.

In 2019-20, the average cost per bedday in specialised mental health units was $1,595. This result is 3.7% higher than the 2019-20 target of $1,537.



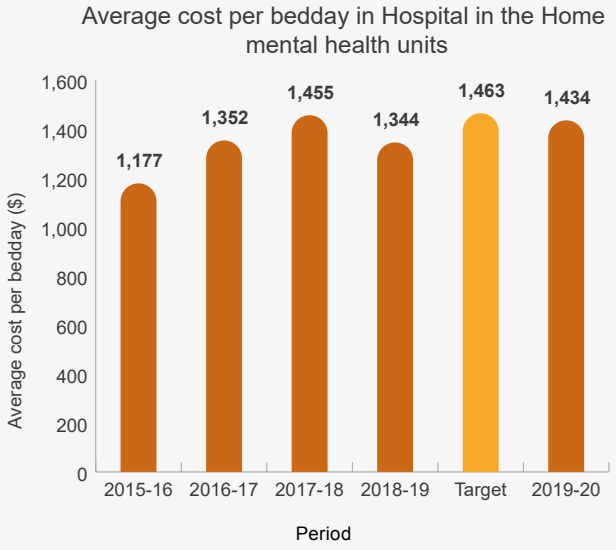
This is a new indicator consolidating the previous two indicators – "Average cost per purchased bedday in acute specialised mental health units" and "Average cost per purchased bedday in sub-acute specialised mental health units". The results shown for 2017-18 and 2018-19 in the graph above have been restated to align to the new indicator.

Key Efficiency Indicator 2.2: Average cost per purchased bedday in Hospital in the Home mental health units

Measures the average cost per bedday for patients in the Hospital in the Home (HITH) program. Data is for the financial year and is sourced from the Commission's Financial Systems, and Bedstate from the Department of Health.

The HITH program offers individuals the opportunity to receive hospital level treatment delivered in their home, where clinically appropriate. HITH is consistent with the approach of providing care in the community, closer to where individuals live. HITH is delivered by multidisciplinary teams including medical and nursing staff. People admitted into this program remain under the care of a treating hospital doctor. HITH is delivered in the community, but measured and funded via 'beds', and therefore falls under the hospital beds stream for funding purposes. Cost per inpatient bedday is defined as expenditure on inpatient services divided by the number of inpatient beddays.

In 2019-20, the average cost per bedday in HITH mental health units was $1,434. This result is 2.0% lower than the 2019-20 target of $1,463 and is 6.6% higher than the 2018-19 result of $1,344.

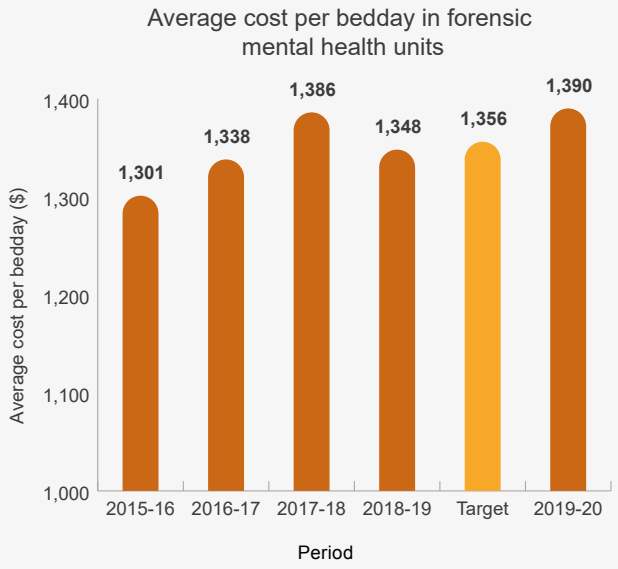


Key Efficiency Indicator 2.3: Average cost per purchased bedday in forensic mental health units

Measures the average cost per inpatient bedday in forensic mental health units. The unit cost of admitted patient care in forensic specialised mental health units is closely monitored in order to ensure cost effectiveness. Data is for the financial year, and is sourced from the Commission's financial systems, and Bedstate from the Department of Health.

Forensic beds include both acute and sub-acute beds. Forensic mental health acute inpatient beds are authorised to provide secure mental health care for patients within the criminal justice system on special orders. These beds provide specialist multidisciplinary forensic mental health care including close observation, assessment, evidence-based treatments, court reports and physical health care. Forensic sub-acute beds are for those people who may have been in an acute forensic inpatient bed and are awaiting discharge back into the community or back to prison. People in this service are likely to be there due to a special order. Cost per inpatient bedday is defined as expenditure on inpatient services divided by the number of inpatient beddays.

In 2019-20, the average cost per bedday in forensic units was $1,390. This result is 2.5% higher than the 2019-20 target of $1,356 and is 3.1% higher than the 2018-19 result of $1,348.



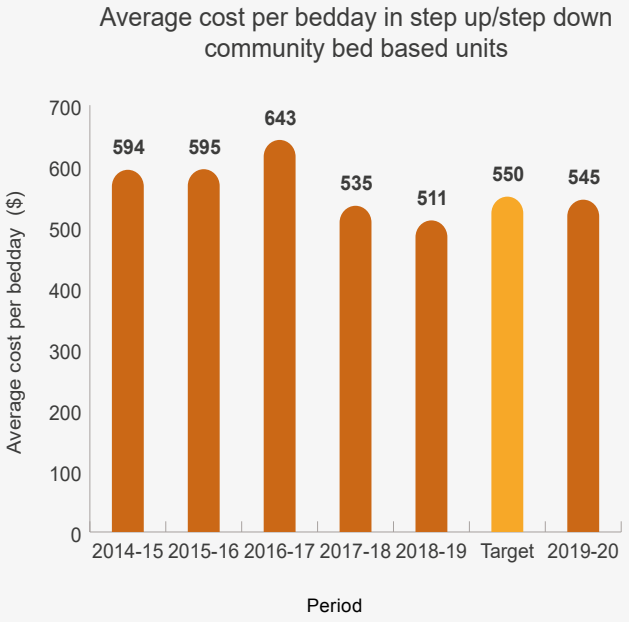
Service 3: Community Bed Based Services

Key Efficiency Indicator 3.2: Average cost per bedday in mental health step up/step down community bed based units

Measures the average cost per bedday in step up/step down community bed based units. Data is for the financial year and is sourced from the Commission's financial systems, the Commission's Contract Acquittal Data Collection (CADC; formerly the Non-Government Organisation Establishment State Data Online Collection). Activity data is for 6 months (July 2019 to December 2019) extrapolated to 12 months.

The Mental Health step up/step down service in Western Australia provides short-term mental health care in a residential setting, that promotes recovery and reduces the disability associated with mental illness. These are comprehensive services designed to deliver support to individuals that is aimed at improving symptoms, encouraging the use of functional abilities and assists in facilitating a return to the usual environment. This is achieved within a framework of recovery and rehabilitation and is delivered predominantly through non-clinical activities. This service provides for people who have recently experienced, or who are at risk of experiencing, an acute episode of mental illness. This usually requires short-term treatment and support to reduce distress that cannot be adequately provided in the person's home but does not require the treatment intensity provided by acute inpatient services.

In 2019-20, the average cost per purchased bedday in step up/step down community bed based units was $545. This is 0.9% lower than the 2019-20 target of $550 and is 6.7% higher than the 2018-19 result of $511.



Note: *Indicators 3.1 and 3.3 can be found in the section: Additional KPIs – uncertified results on page 117*

Ministerial Directives

Treasurer's Instruction 903 (12) requires the Commission to disclose 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 financial activities. No such directives were issued by the Minister with portfolio responsibility for the Commission during 2019-20.

Other Legal Requirements

Personal expenditure

In accordance with section 903(13)(iv) of the Treasurer's Instructions, personal expenditure incurred on a Western Australian Government Purchasing Card must be disclosed. During the reporting period there were 3 instances of personal expenditure incurred by Commission staff, as per the summary below.

Number of instances the Purchasing Card has been used for Personal Use:	3
Aggregate amount:	$35.34
Aggregate amount settled by due date:	$35.34
Aggregate amount settled after due date:	$0
Aggregate amount outstanding:	$0
Number of referrals for disciplinary action:	nil

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the Electoral Act 1907, the following table outlines all expenditure incurred by, or on behalf of, the Commission on advertising agencies, market research, polling, direct mail and media advertising during the reporting period:

Name	Category	Spend
Kantar Public	Market research	$324,000
Public education campaigns via Curtin University	Media advertising	$200,000
Public education campaigns via Cancer Council	Media advertising	$2,657,152
Initiative	Media advertising	$24,980
The Brand Agency	Advertising agencies	$5,000
Total		**$3,275,132**

Disability access and inclusion plan outcomes

The Commission continued the work of its Disability Access and Inclusion Plan (DAIP) for 2017 – 2021, ensuring it is consistently accessible to and inclusive of all groups. The DAIP demonstrates our commitment to ensuring we are proactive about removing any barriers that may exclude people from accessing information, services, facilities, events and employment opportunities within the Commission. The DAIP is available to members of the public through the Commission's website and to all employees through the Commission's Intranet.

Compliance with public sector standards and ethical codes

Pursuant to section 31(1) of the *Public Sector Management Act 1994*, the Commission fully complied with the public sector standards, the Western Australian Code of Ethics and the Mental Health Commission Code of Conduct.

During 2019-20 the Commission received one breach of Standard claim related to the Employment Standard. The claim was declined by the Public Sector Commission due to lack of substance.

Recordkeeping plans

The State Records Act 2000 (the Records Act) was established to standardise statutory record keeping practices for every government agency. Government agency practice is subject to the provisions of the Records Act and the standards and policies of the State Records Commission (SRC). Following a review of the Commission's Recordkeeping Plan (RKP) in December 2018, an updated RKP was developed which reflects the Commission's vision, mission and values, current operations, and strategic priorities. The updated RKP was approved by the SRC in August 2019.

In line with the Commission's RKP, all new staff are provided with a comprehensive induction on recordkeeping and its Electronic Document Records Management System (EDRMS). The staff Induction includes a presentation on individual officers' responsibilities and the services of our Information Management team. Recordkeeping is embedded in the Commission's Code of Conduct and in addition to inductions, all new starters are enrolled in mandatory online awareness training, face-to-face or virtual EDRMS training. A total of 14 Recordkeeping and EDRMS Training sessions were delivered to staff by the Information Management Team in 2019-20.

In response to the COVID-19 pandemic and changing staff work arrangements in the agency, the Information Management Team created a Working From Home portal to allow staff to access information regarding recordkeeping responsibilities at home and updating training materials to deliver virtual EDRMS and Recordkeeping training. The Information Management Team also provided virtual support services and training in the use of some new technologies to enable staff to remain productive in a remote setting.

In 2019-20, 80% of Commission employees completed the recordkeeping awareness training. This training provides an understanding of the fundamentals of recordkeeping and employee responsibilities in creating, managing and protecting records. Over 50 publications are available for staff, including fact and advice sheets, training videos and a monthly electronic newsletter regarding recordkeeping matters via the corporate intranet.

The Commission has continued to shift to a greater electronic records management operation, significantly improving compliance with the Records Act.

Government Policy Requirements

Staffing, Occupational Safety, Health and Injury Management

Our commitment

The Commissioner and Executive Leadership team are committed to providing a safe workplace to achieve high standards in safety and health for employees, contractors and visitors. To support and demonstrate this commitment, the Commission has developed and implemented safe systems and work practices in line with the Occupational Safety and Health Act 1984, and provides early intervention and proactive injury management in line with the requirements of the Workers Compensation and Injury Management Act 1981.

Senior leaders recognise Occupational Safety and Health practices are a major contributor to reducing hazards and risks and are focused on embedding strong OSH practices in all training, planning, purchasing and business activities. The Commission has an Occupational Safety and Health Policy and an Injury/Rehabilitation Management Policy in place which communicate our commitment to safety and health to its employees.

Consultation mechanisms

The Occupational Safety and Health Committee form the key to occupational safety and health consultation within the Commission.
The Committee consists of employer representatives across the Commission and all safety and health representatives. The Committee meets bi-monthly to discuss and resolve health and safety issues, which includes reviewing accidents, incidents and hazards. The minutes are made available to employees on the intranet. The contact details of all safety and health representatives are available to employees on the Commission's intranet and noticeboards.

Workers' compensation and injury management

The Commission is committed to assisting injured employees to return to work as soon as medically appropriate and has in place a documented injury management system and return to work programs in accordance with the Workers Compensation and Injury Management Act 1981. The Injury / Rehabilitation Management Policy is available for employees and managers to access via the Commission's intranet.

Assessment of the occupational safety and health management system

In February 2019, the Commission's occupational safety and health management system was assessed in line with the WorkSafe Plan. All recommendations identified in the assessment have been addressed and in September 2019, the Commission was awarded a Silver WorkSafe Plan Safety Achievers Award by the Department of Mines, Industry Regulation and Safety.

Employee health and wellbeing

The Commission is committed to ensuring employees are supported and provided with an environment that actively assists them to maximise their overall health. The Wellness Reference Group develops the annual Wellness Program to ensure the wellbeing needs and preferences of employees are being met.

During 2019-20, the following wellness events and activities were held to improve employee wellbeing:

- influenza vaccinations
- health and skin checks
- corporate step challenge
- wellness expo
- R U OK? Day and Mental Health Week activities and guest speakers
- wellness information sessions covering topics such as mindfulness, meditation and healthy sleep habits.

As a leader in mental health, the Commission believes that protecting and supporting the mental health of our employees and creating an environment that fosters the development of positive mental health is central to our ability to ensure the delivery of an effective service to the Western Australian community. During 2019-20 the Commission continued to focus on the mental health and wellbeing of employees through the availability of:

- a comprehensive Employee Assistance Program
- in-house Mental Health First Aid Officers
- webinars to support mental wellbeing during COVID-19.

Other Legal Requirements

Occupational Safety and Health Reporting

Measure	Results 2017-18	Results 2018-19	Results 2019-20	Target	Comments toward targets
Number of Workers Compensation Claims Received	5	3	3	Zero (0)	
Number of fatalities	0	0	0	Zero (0)	
Lost time injury/disease incidence rate	0.8%	0.69	0.27	Zero (0) or a 10% improvement on the previous three years	
Lost time injury/disease severity rate	50	0	0	Zero (0) or a 10% improvement on the previous three years	
Percentage of injured workers returned to work within: 13 weeks	50%	100%	100%	Greater than or equal to 80% return to work within 26 weeks	
Percentage of managers trained in occupational safety, health and injury management responsibilities	83%*	44%*	84%	Greater than or equal to 80%	
Number of contacts made to access the in-house Mental Health First Aid Program	58	132	86	N/A	

*Approximate figure

Board and Committee Remuneration

Alcohol and Other Drugs Advisory Board

The Alcohol and Other Drugs Advisory Board, which provides advice to the Commission on matters relevant to section 11 functions of the Alcohol and Other Drug Act 1974, reconvened in 2019 with new members appointed.

Position	Members name	Type of remuneration (annual, sessional, per meeting, half day or n/a)	Period of membership (within 2019-20)	Gross remuneration 2019-20 financial year
Chair	Emeritus Professor Colleen Hayward	Annual	July 2019 - present	$ 12,435
Deputy Chair	Dr Mark Montebello	Annual	April 2020 - present	-
Member	Dr Rosanna Capolingua	Sessional	July 2019 - present	$ 1,337
Member	Dr John Edwards	Sessional	July 2019 - present	$ 1,074
Member	Ms Julia Stafford	Sessional	July 2019 - present	$ 1,074
Member	Ms Miriam Rudd	Sessional	July 2019 - present	$ 1,074
Member	Ms Jill Rundle	Sessional	July 2019 - present	-
Member	Superintendent Mick Sutherland	Sessional	July 2019 - present	-

Board and Committee Remuneration

Mental Health Advisory Council

The Mental Health Advisory Council provides strategic advice and guidance to the Mental Health Commissioner regarding key matters affecting people with mental issues, their families and service providers. The Council reconvened in 2019 with new members appointed.

Mental Health Tribunal - not reported

The Tribunal is an independent judicial body established under the Mental Health Act and is not a board or committee for the purpose of this Annual Report.

Position	Members name	Type of remuneration (annual, sessional, per meeting, half day or n/a)	Period of membership (within 2019-20)	Gross remuneration 2019-20 financial year
Chair	Ms Margaret Doherty	Annual	1 October 2019 – 30 June 2020	$ 12,345
Member	Mr Rod Astbury	Sessional	1 October 2019 – 30 June 2020	$ 3,112
Member	Dr Amit Banerjee	Sessional	1 October 2019 – 30 June 2020	-
Member	Dr Michael Wright	N/A*	1 October 2019 – 30 June 2020	-
Member	Dr Richard Oades	Sessional	1 October 2019 – 30 June 2020	$ 3,425
Member	Ms Lee Steel	Sessional	1 October 2019 – 30 June 2020	$ 3,539
Member	Mr Andrew Williams	Sessional	1 October 2019 – 30 June 2020	$ 3,112
Member	Ms Tracey Young	Sessional	1 October 2019 – 30 June 2020	$ 2,919
Member	Ms Gemma Powell	Sessional	1 October 2019 – 30 June 2020	$ 1,460
Member	Ms Emily Wilding	Sessional	1 October 2019 – 30 June 2020	$ 2,919
Member	Ms Stan Chirenda	N/A*	1 October 2019 – 30 June 2020	-
Member	Ms Jessica Nguyen	N/A*	1 October 2019 – 30 June 2020	-
Member	Ms Patricia Councillor	Sessional	2 June 2020 – 30 June 2020	-

Additional KPIs – Uncertified Results

Additional KPIs – Uncertified Results

As disclosed in the Performance Management Framework section of this report, the Commission was granted an exemption on the reporting of results for several key efficiency indicators due to COVID-19 related issues which prevented the independent verification of data from service providers within the required timeframe.

While these results have not been certified, the Commission has published the results for information only. The Commission does not make any representation or warrants that the information presented below forms part of the certified and audited KPIs.

Service three: Community Bed Based Services

Key Efficiency Indictor 3.1: Average cost per purchased bedday in mental health 24 hour and non-24 hour staffed community bed based services

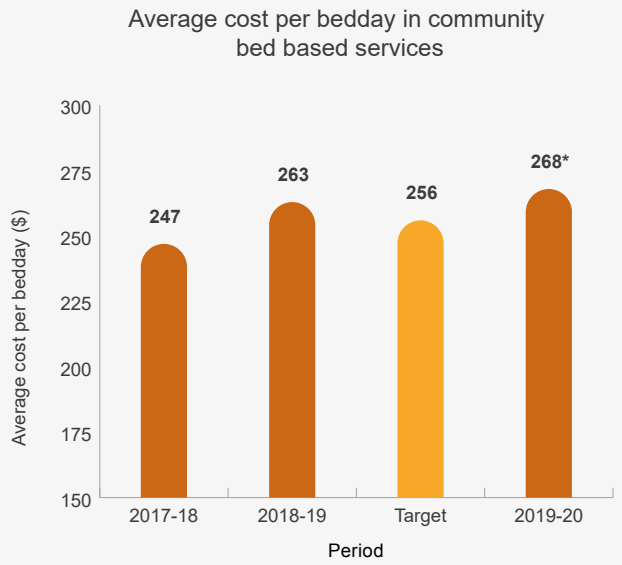
Measures the average cost per bedday in mental health 24 hour and non-24 hour staffed community bed based services. Data is for the financial year and is sourced from the Commission's financial systems, the Commission's Contract Acquittal Data Collection (CADC; formerly the Non-Government Organisation Establishment State Data Online Collection). Activity data is for 6 months (July 2019 to December 2019) extrapolated to 12 months.

Non-government organisations provide accommodation in residential units for people affected by mental illness who require support to live in the community.

Community bed based services provide support with self-management of personal care and daily living activities as well as initiating appropriate treatment and rehabilitation to improve the quality of life. These services provide support for adults who have severe and persistent symptoms of mental illness, and who have support and care needs above those that enable them to live independently in the community.

Services can be staffed either 24 hours a day for those who require more intensive support or less than 24 hours a day for people with less severe mental health and behavioural problems. With services staffed less than 24 hours a day, appropriate staff are still available (e.g. on call) when required.

In 2019-20, the average cost per purchased bedday for 24 hour and non-24 hour staffed community bed based services was $268. This result is 4.8% higher than the 2019-20 target of $256.



*The 2019-20 result is an estimate and was not audited.

This is a new indicator consolidating the previous two indicators – "Average cost per purchased bedday for 24 hour staffed community bed based services" and "Average cost per purchased bedday for non-24 hour staffed community bed based services". The results shown for 2017-18 and 2018-19 in the graph above have been restated to align to the new indicator.

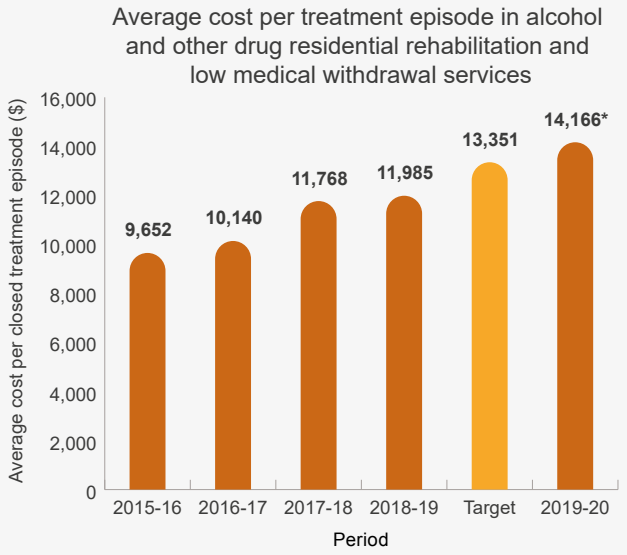
Key Efficiency Indictor 3.3: Average cost per closed treatment episode in alcohol and other drug residential rehabilitation and low medical withdrawal services

Measures the average cost per closed treatment episode in alcohol and other drug residential rehabilitation and low medical withdrawal services. Data is for the 12-month period April to March and allows for a three-month lag for coding and auditing purposes. Data is sourced from the Commission's financial systems and de-identified treatment agency database.

Alcohol and other drug community bed based services include residential rehabilitation and low medical withdrawal services which provide 24 hour, seven days per week, recovery orientated treatment in a residential setting. Bed based low medical withdrawal provides a supportive care model, based on non-medical or low medical interventions with support provided by a visiting doctor or nurse specialist.

These programs are most appropriate when the withdrawal symptoms are likely to be low to moderate and there is a lack of social support or an unstable home environment. Residential rehabilitation provides clients (following withdrawal) with a structured program of medium to longer-term duration that may include counselling, behavioural treatment approaches, recreational activities, social and community living skills and group work.

In 2019-20, the average cost per completed treatment episode in alcohol and other drug residential rehabilitation services was $14,166. This is 6.1% higher than the 2019 20 target of $13,351 and 18.2% higher than the 2018-19 result of $11,985.



*The 2019-20 result is an estimate and was not audited.

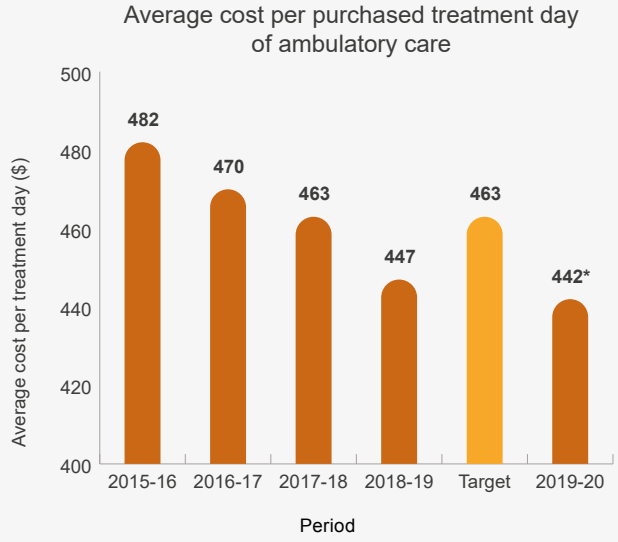
Service 4: Community Treatment

Key Efficiency Indictor 4.1: Average cost per purchased treatment day of ambulatory care provided by public clinical mental health services

Measures the average cost per purchased treatment day of ambulatory care provided by public clinical mental health services. Data is for the financial year and is sourced from the Commission's financial systems, Mental Health Information System (MHIS), Department of Health, the Commission's Contract Acquittal Data Collection (CADC; formerly the Non-Government Organisation Establishment State Data Online Collection) and non-government organisation activity data for 6 months (July 2019 to December 2019) that is extrapolated to 12 months.

An ambulatory mental health care service (i.e. community treatment) is a specialised mental health organisation that provides services to people who are not currently admitted to a mental health inpatient or residential service. Services are delivered by health professionals with specialist mental health qualifications or training. This indicator is the total expenditure on mental health ambulatory care services divided by the number of community treatment days provided by ambulatory mental health services, where a treatment day is defined as any day on which one or more community contacts are recorded for a consumer during their episode of care.

In 2019-2020, the average cost per purchased treatment day of ambulatory care provided by public clinical mental health services was $442. This is 4.6% lower than the 2019-20 target of $463 and 1.1 % lower than the 2018-19 result of $447.



*The 2019-20 result is an estimate and was not audited.

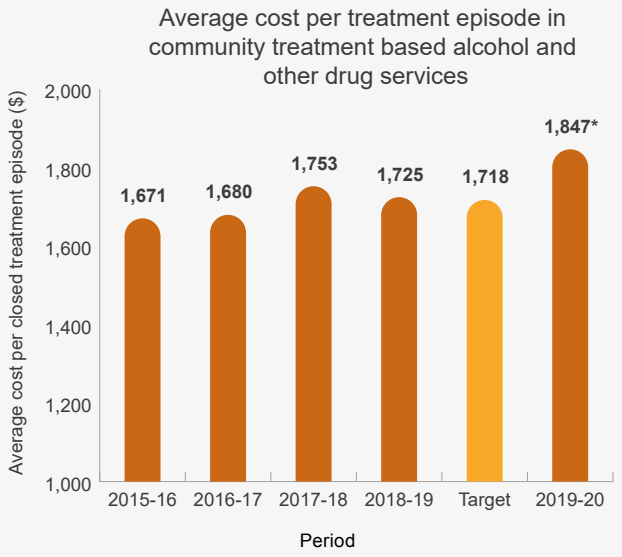
Key Efficiency Indictor 4.2: Average cost per closed treatment episode in community treatment based alcohol and other drug services

Measures the average cost per closed treatment episode in community treatment based alcohol and other drug services. Data is for the 12-month period April to March and allows for a three-month lag for coding and auditing purposes. Data is sourced from the Commission's financial systems, de-identified treatment agency database and the alcohol drug and information services database.

The Commission supports a comprehensive range of outpatient counselling, pharmacotherapy and support and case management services, including specialist indigenous, youth, women's and family services, which are provided primarily by non-government agencies specialising in alcohol and other drug treatment.

The Western Australian Diversion Program aims to reduce crime by diverting offenders with drug use problems away from the criminal justice system and into treatment to break the cycle of offending and address their drug use. The Alcohol and Drug Support Service is a 24-hour, Statewide, confidential telephone service providing information, advice, counselling and referral to anyone concerned about their own or another person's alcohol and other drug use. Callers have the option of talking to a professional counsellor, a volunteer parent or both.

In 2019-20, the average cost of a completed treatment episode in community-based alcohol and other drug services was $1,847. This is 7.5% higher than the 2019-20 target of $1,718 and is 7.1% higher than the 2018-19 result of $1,725.



*The 2019-20 result is an estimate and was not audited.

Service 5: Community Support

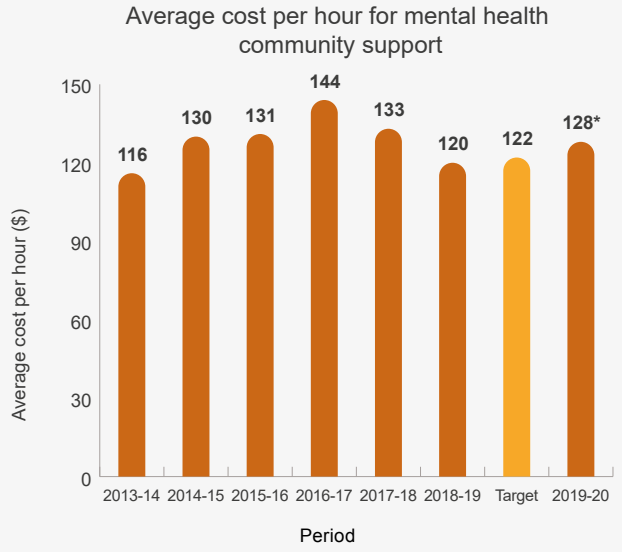
Key Efficiency Indictor 5.1: Average cost per hour for community support provided to people with mental health issues

Measures the average cost per hour for community support provided to people with mental health issues. Data is for the financial year and is sourced from the Commission's financial systems and the Commission's Contract Acquittal Data Collection (CADC; formerly the Non-Government Organisation Establishment State Data Online Collection). Activity data is for 6 months (July 2019 to December 2019) and is extrapolated to 12 months.

Community-based support programs support people with mental health problems to develop/maintain skills required for daily living, improve personal and social interaction, and increase participation in community life and activities. They also aim to decrease the burden of care for carers. These services primarily are provided in the person's home or in the local community. The range of services provided is determined by the needs and goals of the individual.

In 2019-20, the average cost per hour of community support provided to people with mental health issues was $128. This result is 4.8% higher than the 2019-20 target of $122 and 6.7% higher than the 2018-19 result of $120.

This is because, in 2018-19, the Commission implemented a Hostel Recovery Support Project (HRSP) in collaboration with the National Disability Insurance Agency. As part of the HRSP project, a number of NGOs were contracted to provide Community Support services, increasing the amount of hours of community support.



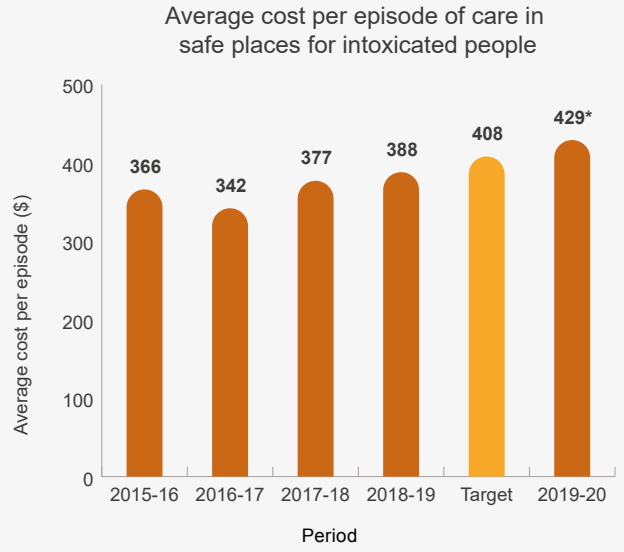
*The 2019-20 result is an estimate and was not audited.

Key Efficiency Indictor 5.2: Average cost per episode of care in safe places for intoxicated people

Measures the average cost per episode of care in safe places for intoxicated people. Data for the periods 2015-16 to 2018-19 is for the 12-month period from April to March to allow for a three-month lag for coding and auditing purposes. Due to changes to the data collection process, data for 2019-20 is for the financial year. Cost data is presented for the financial year. Data is sourced from the Commission's financial systems and the sobering up centre database.

Safe places for intoxicated individuals, or sobering up centres, provide residential care overnight for intoxicated individuals. As at 30 June 2019, there were nine sobering up centres in Western Australia providing a safe, care-oriented environment in which people found intoxicated in public may sober up. Sobering up centres help to reduce the harm associated with intoxication for the individual, their families and the broader community, and play a key role in the response to family and domestic violence. People may refer themselves to a centre or be brought in by the police, a local patrol, health/welfare agencies, or other means. Attendance at a centre is voluntary.

In 2019-20, the average cost per treatment episode of care in safe places for intoxicated people was $429. This result is 5.0% higher than the 2019-20 target of $408 and is 10.3% higher than the 2018-19 result of $388.



*The 2019-20 result is an estimate and was not audited.

Appendices

Acronyms

ADSS	Alcohol and Drug Support Service
AOD	Alcohol and Other Drugs
CAHS	Child and Adolescent Health Service
CADS	Community Alcohol and Drug Services
CMOMH	Chief Medical Officer, Mental Health
CoMHWA	Consumers of Mental Health Western Australia
DACAS	Drug and Alcohol Clinical Advisory Service
EMHS	East Metropolitan Health Service
HSPs	Health Service Providers
KPI	Key Performance Indicator
MHAC	Mental Health Advisory Council
MHAS	Mental Health Advocacy Service
MHEC	Mental Health Executive Committee
MHERL	Mental Health Emergency Response Line
MHT	Mental Health Tribunal
NDSHS	National Drug Strategy Household Survey
NGOs	Non-Government Organisations
NMHS	North Metropolitan Health Service
OCP	Office of the Chief Psychiatrist
SMHS	South Metropolitan Health Service
SSSM	Strong Spirit Strong Mind
WACHS	WA Country Health Service

Abbreviations

The Act	Mental Health Act 2014
A Safe Place	A Safe Place: A Western Australian strategy to provide safe and stable accommodation, and support to people experiencing mental health, alcohol and other drug issues 2020-2025
Commission	Mental Health Commission
Next Step	Next Step Drug and Alcohol Services
The Plan	Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025
Records Act	State Records Act 2000

Glossary

Forensic mental health services	Refers to mental health services that principally provide assessment, treatment and care of people with a mental health issue and/or mental illness who are in the criminal justice system, or who have been found not guilty of an offence because of mental impairment. Forensic mental health services are provided in a range of settings, including prisons, hospitals and the community.
Secure (mental health/beds)	A bed staffed 24 hours a day that is designated by the Department of Health or authorised by the Chief Psychiatrist to accommodate patients requiring a higher level of care and involuntary containment where clinically appropriate
Separations	Discharge from hospital

Service Stream descriptions

Prevention

Mental health and AOD prevention refers to initiatives and strategies to reduce the incidence and prevalence of mental health problems, and delay the uptake and reduce the harmful use of AOD and associated harms. Mental health promotion strategies aim to promote positive mental health and resilience.

The Commission continues to support a range of evidence-based prevention initiatives aimed at the whole population and specific priority target groups. Strategies include:

- public education campaigns such as the Alcohol. Think Again, Strong Spirit Strong Mind Metro Project, Drug Aware and Think Mental Health campaigns;
- creation of supportive environments, for example through monitoring of liquor licensing applications; and
- building community capacity to promote optimal mental health, and prevent mental illness, suicide and AOD harm through training for communities.

Community support services

Community support services include programs that help people with mental health and AOD issues to access the help and support they need to participate in their community. Community support includes:

- programs that help people identify and achieve their personal goals;
- personalised support programs (eg to assist in accessing and maintaining employment/ education and social activities);
- peer support;
- home in reach support to attain and maintain housing;
- family and carer support (including support for young carers and children of parents with a mental illness);
- flexible respite;
- individual advocacy services; and
- AOD harm-reduction programs.

Service Stream descriptions

Community treatment

Community treatment services provide non-residential, clinical care in the community for people with mental health and AOD issues including families and carers. Community treatment services generally operate with multidisciplinary teams who provide outreach, transition support, relapse prevention planning, physical health assessment and support for good general health and wellbeing.

Community treatment services aim to provide appropriate mental health and AOD treatment and care in the community closer to where people live and where connections with, and support from, families and carers can be maintained.

Community bed based services

Community bed based services provide 24 hour, seven days per week recovery oriented services in a residential style setting (in the case of mental health services), and withdrawal services and structured, intensive residential rehabilitation for people with an AOD issue.

Community bed based services provide support to enable individuals to move to more independent living. The primary aim of interventions is to improve functioning and reduce difficulties that limit an individual's independence. There are four types of mental health community beds: short stay; medium-stay; long-stay and long-stay (nursing home).

All community bed based services are expected (where appropriate) to have the capability of meeting the needs of people with co-occurring mental health and AOD issues.

Hospital bed based services

Hospital bed based services include acute, subacute and non-acute inpatient units, consultation and liaison services and inpatient AOD withdrawal services. Hospital bed based services provide treatment and support in line with mental health recovery oriented service provision, including promoting good general health and wellbeing.

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