



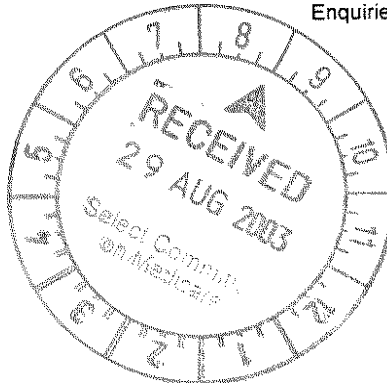
Department of Health
Government of Western Australia

Your ref:

Our ref:

Enquiries to: Amelia Linnett 9222 2324

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SOB
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Mr Elton Humphrey
Secretary
Select Committee on Medicare
Parliament House
Canberra ACT 2600

Dear Mr Humphrey

At the recent public hearing held in Perth by the Select Committee on Medicare, I undertook to forward further information requested by Committee members on a number of topics.

SOB 177

Please find enclosed the requested information. Additional information showing State and Commonwealth contributions to public hospitals is being compiled and will be forwarded shortly.

If you have any further queries please contact Ms Amelia Linnett, State Commonwealth Relations Branch on (08) 9222 2324.

Yours sincerely

Andrew Chuk
**DEPUTY DIRECTOR GENERAL
CORPORATE AND FINANCE**

25 August 2003

Information Requested by Senate Committee on Medicare

1. No. of Nursing training positions in WA and information on Nurse recruitment/retraining programs
2. No. of Doctor training positions in WA
3. Evidence of State growth in all revenue sources
4. Dental waiting lists
5. Salaried Doctors wages

1. Number of Nursing training positions in WA and information on Nurse recruitment/retraining programs

- Western Australia has 641 Registered Nurse undergraduate positions in 2003.
- Western Australia needs to increase the number of undergraduate nursing places from the current 641 to 1,000 in order to meet the demand for graduates by 2006.
- In 2003 there were 2,339 applications for the 641 places and the TEE score was 85.5 which is the highest in Australia.
- Western Australia has 28,945 nurses on the register but the number of trained nurses not actively undertaking nursing work is unknown.
- A recent nursing campaign has seen 700 full time equivalent nurses rejoin the public health system. These numbers have included nurses from the nurse-link re-entry programs, those renewing their registration, those attending refresher courses and those re-joining. The re-entry program has an annual budget of \$2.6 million plus \$500,000 for advertising.

2. Number. of Doctor training positions in WA

- Western Australia currently has 598 Training positions for Doctors

This includes:

- 399 Registrar positions
 - 4 Registered Medical Officer 2 positions
 - 65 Registered Medical Officer 3+ positions
 - 130 Intern positions
- Western Australia currently has 120 Undergraduate Medical places at the University of Western Australia.

3. Evidence of State growth in all revenue

- Total operating revenue for the Western Australian general government sector is expected to increase by 2.1% in 2003-04. This includes revenue from all sources including Commonwealth grants.
- In the three outyears, total operating revenue is expected to increase by around 3.4% per annum.
- Attachment A, Chapter 4, Financial Projections – Revenue, from the 2003-04 WA State Budget Paper Number 3, describes the revenue and the projected revenue in more detail.

4. Dental Waiting Lists

- Table 1 describes the number of patients waiting for dental treatment in Western Australia.

Table 1. Western Australian Dental Waiting List as of 15 July 2003

CLINIC	NO. OF PATIENTS	ESTIMATED WAITING LENGTH
Southern Region		
Armadale	1523	6 months
Fremantle	1254	13 months
Rockingham	3044	19 months
Albany	985	23 months
Bunbury	1821	12 months
Vasse	359	5 months
Central Region		
Liddell	1807	13 months
Mount Henry	414	9 months
Morley	1386	10 months
Swan	1778	18 months
Goldfields	418	20 months
Northern Region		
Shalom Coleman	2287	10 months
Warwick	3225	14 months
Geraldton	90	7 months
Subsidy Schemes		
Country	275	6 months
Oral Health Centre WA - Perth		
Endodontics	38	4 months
General (including dentures)	440	6 months
Oral Surgery	65	2 months
Orthodontics	1894	13 months (estimated)
Paedodontics	280	NA
Periodontics	447	12 months
Special Restorative	158	NA
TMJ	10	Nil

Note: Emergency cases experience no waiting period.

5. Salaried Doctors Wages

- Tables 2 and 3 describe the salaried doctors wages ranging from an interns base salary of \$47,254 through to senior consultants wages of \$155,055.
- Please note that these are base level salaries and actual wages received may be more with overtime, travel etc.

Table 2. Full time salaries for Junior Medical Practitioners

CLASSIFICATION	LEVEL	BASE SALARY FROM 1 APRIL 2002	BASE SALARY FROM 1 APRIL 2003 3%	BASE SALARY FROM 1 JAN 2004 3%
INTERN	1	45,878	47,254	48,672
RMO (YR 1)	2	50,180	51,685	53,236
RMO (YR 2)	3	54,481	56,115	57,798
RMO (YR 3)	4	58,782	60,545	62,361
REGISTRAR (YR 1) SUPERVISED MEDICAL OFFICER (YR 1)	5	63,083	64,975	66,924
REGISTRAR (YR 2) SUPERVISED MEDICAL OFFICER (YR 2) TRAINEE MEDICAL ADMINISTRATOR (YR 1) TRAINEE PUBLIC HEALTH PHYSICIAN (YR 1)	6	67,384	69,406	71,488
REGISTRAR (YR 3) SUPERVISED MEDICAL OFFICER (YR 3) TRAINEE MEDICAL ADMINISTRATOR (YR 2) TRAINEE PUBLIC HEALTH PHYSICIAN (YR 2) TRAINEE PSYCHIATRIST (YR 1)	7	71,685	73,836	76,051
REGISTRAR (YR 4) SUPERVISED MEDICAL OFFICER (YR 4) TRAINEE MEDICAL ADMINISTRATOR (YR 3) TRAINEE PUBLIC HEALTH PHYSICIAN (YR 3) TRAINEE PSYCHIATRIST (YR 2)	8	75,986	78,266	80,614
REGISTRAR (YR 5) SUPERVISED MEDICAL OFFICER (YR 5) TRAINEE MEDICAL ADMINISTRATOR (YR 4) TRAINEE PUBLIC HEALTH PHYSICIAN (YR 4) TRAINEE PSYCHIATRIST (YR 3)	9	80,287	82,696	85,177
REGISTRAR (YR 6) SUPERVISED MEDICAL OFFICER (YR 6) TRAINEE MEDICAL ADMINISTRATOR (YR 5) TRAINEE PUBLIC HEALTH PHYSICIAN (YR 5) TRAINEE PSYCHIATRIST (YR 4)	10	84,588	87,126	89,740
SENIOR REGISTRAR (YR 1) SUPERVISED MEDICAL OFFICER (YR 7) TRAINEE MEDICAL ADMINISTRATOR (YR 6) TRAINEE PUBLIC HEALTH PHYSICIAN (YR 6) TRAINEE PSYCHIATRIST (YR 5)	11	90,323	93,033	95,824
SENIOR REGISTRAR (YR 2) SUPERVISED MEDICAL OFFICER (YR 8) TRAINEE PSYCHIATRIST (YR 6) - ELECTIVE YEAR ONLY	12	96,058	98,940	101,908

Table 3. Full time salaries for Senior Medical Practitioners

CLASSIFICATION	LEVEL	BASE SALARY FROM 1 APRIL 2002	BASE SALARY FROM 1 APRIL 2003 3%	BASE SALARY FROM 1 JAN 2004 3%
HEALTH SERVICE MEDICAL PRACTITIONER (YR 1) NON SPECIALIST QUALIFIED MEDICAL ADMINISTRATOR (YR 1) VRGP (YR 1)	13	106,094	109,277	112,555
HEALTH SERVICE MEDICAL PRACTITIONER (YR 2) NON SPECIALIST QUALIFIED MEDICAL ADMINISTRATOR (YR 2) VRGP (YR 2)	14	111,829	115,184	118,640
HEALTH SERVICE MEDICAL PRACTITIONER (YR 3) NON SPECIALIST QUALIFIED MEDICAL ADMINISTRATOR (YR 3) VRGP (YR 3) SNR MEDICAL PRACTITIONER (YR 1) CONSULTANT (YR 1)	15	117,563	121,090	124,723
HEALTH SERVICE MEDICAL PRACTITIONER (YR 4) NON SPECIALIST QUALIFIED MEDICAL ADMINISTRATOR (YR 4) VRGP (YR 4) SNR MEDICAL PRACTITIONER (YR 2) CONSULTANT (YR 2)	16	123,298	126,997	130,807
HEALTH SERVICE MEDICAL PRACTITIONER (YR 5) NON SPECIALIST QUALIFIED MEDICAL ADMINISTRATOR (YR 5) VRGP (YR 5) SNR MEDICAL PRACTITIONER (YR 3) CONSULTANT (YR 3)	17	129,033	132,904	136,891
CONSULTANT (YR 4)	18	131,900	135,857	139,933
CONSULTANT (YR 5)	19	134,768	138,811	142,975
CONSULTANT (YR 6)	20	137,635	141,764	146,017
CONSULTANT (YR 7)	21	140,503	144,718	149,060
CONSULTANT (YR 8)	22	143,370	147,671	152,101
CONSULTANT *	23	150,539	155,055	159,707

*LEVEL 23 ONLY AVAILABLE AFTER 13TH YEAR OF EXPERIENCE

ATTACHMENT A

**Chapter 4, Financial Projections – Revenue, from the 2003-04 WA State Budget Paper
Number 3**

CHAPTER 4

Financial Projections - Revenue

Overview

Total operating revenue for the general government sector is expected to increase by 2.1% in 2003-04, significantly lower than historical revenue growth. This estimate reflects the high level of revenue collected in 2002-03 (underpinned predominantly by the impact of stronger than expected property market activity and high oil prices), the impact of very low growth in Commonwealth grants to Western Australia¹ (which decline in real terms) and uncertain international conditions (which are already impacting on commodity prices, notably the oil price, and the \$A/\$US exchange rate) in 2003-04.

In 2003-04, growth in taxation revenue (up 8.9%), revenue from public corporations (up 6.1%), Commonwealth grants to Western Australia (up 0.9%) and specific purpose payments (SPPs) 'through' the State² (up 7.2%) are expected to offset a decline in revenue from sales of goods and services (down 1.8%), royalties³ (down 11.5%), interest income (down 8.3%) and other revenue⁴ (down 1.3%).

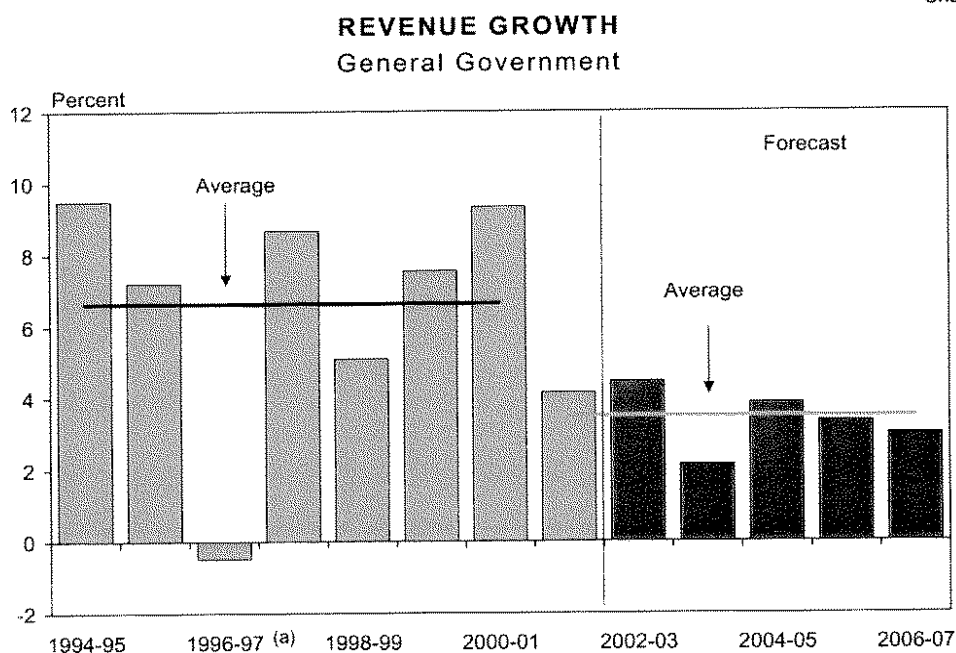
Over the three outyears, total operating revenue is expected to increase by around 3.4% per annum. Growth in revenue from taxation and payments from public corporations should remain relatively strong, however growth in most other revenue sources is expected to be lower than experienced in the past. Revenue sources other than taxation show little relationship to growth in the domestic economy.

¹ Commonwealth grants to Western Australia comprise the GFS Commonwealth grants revenue categories (ie. 'current grants and subsidies' and 'capital grants') less North West Shelf royalties and specific purpose payments 'through' the State.

² SPPs 'through' the State include payments on-passed to local government, private schools and first home buyers (as part of the extended First Home Owners Scheme).

³ Royalties comprise the GFS 'royalty income' revenue category plus North West Shelf royalties.

⁴ 'Other revenue' comprises lease rentals, fines and other revenue not elsewhere included. This latter item includes donations and asset transfers, which are lumpy and one-off in nature.



(a) Reflects the impact of \$200 million in one-off tax compensation received in 1995-96 for the sale of BankWest. Excluding these monies, revenue growth in 1995-96 and 1996-97 was 4.5% and 2.1% respectively.

Operating Revenue Projections

Summary

Total operating revenue for the general government sector is estimated to be \$11.8 billion in 2003-04. This represents an increase of \$247 million (2.1%) on 2002-03 estimated collections and is attributable to growth in revenue from taxes (up \$288 million, or 8.9%, including the impact of revenue measures), Commonwealth grants to Western Australia (up \$40 million, or 0.9%), SPPs 'through' the State (up \$40 million, or 7.2%) and payments from public corporations (up \$38 million, or 6.1%).

Growth in these revenue items in 2003-04 is projected to be partially offset by declines in revenue from royalties (down \$131 million, or 11.5%), sales of goods and services (down \$17 million, or 1.8%), interest income (down \$9 million, or 8.3%) and other income (down \$3 million, or 1.3%).

Significantly, the growth in total operating revenue of 2.1% in 2003-04 is considerably lower than revenue growth of 6.3% per annum on average over the period 1993-94 to 2000-01 (abstracting from the 'one-off' revenue impacts of major asset sales) and, more recently, annual average revenue growth of 5.6% in 2001-02 and 2002-03.

The expected easing in the growth rate of total operating revenue in 2003-04 is due to the combined impact of weak growth in Commonwealth grants to Western Australia, an expected decline in oil prices, a higher \$A/\$US exchange rate and a slight easing in growth in the domestic economy.

Modest growth in total operating revenue in 2003-04 follows estimated revenue growth of 4.5% (ie. an increase of \$492 million) in 2002-03. Total operating revenue for 2002-03 is now estimated to be \$364 million higher than forecast at the time of last year's Budget.

The higher revenue in 2002-03 is largely due to the impact of stronger than expected property market activity on conveyance duty revenue (accounting for \$70 million of the increase), a higher than expected oil price on petroleum royalties (accounting for around \$114 million of the increase), higher than expected volumes of petroleum and iron ore production (accounting for around \$71 million of the increase) and the recoupment from the Commonwealth of costs for the treatment of veterans exceeding past Commonwealth payments over a number of years (accounting for around \$53 million of the increase).

Over the forward estimates, total operating revenue is expected to increase by \$1.2 billion (or 3.4% per annum) over the three outyears. This largely reflects growth in revenue from Commonwealth grants to Western Australia (up \$490 million, or 3.3% per annum), taxation (up \$476 million, or 4.3% per annum), payments from public corporations (up \$136 million, or 6.5% per annum) and SPPs 'through' the State (up \$117 million, or 6.2% per annum).

Table 1

GENERAL GOVERNMENT
Operating Revenue

	2001-02 (a)	2002-03 Estimated Actual	2003-04 Budget Estimate	2004-05 Forward Estimate	2005-06 Forward Estimate	2006-07 Forward Estimate
	Actual \$m	\$m	\$m	\$m	\$m	\$m
Taxation	2,945	3,255	3,543	3,712	3,823	4,019
Commonwealth grants to Western Australia (b)	4,561	4,674	4,714	4,906	5,117	5,204
SPPs 'through' the State (c)	588	555	595	632	673	712
Sales of goods and services	905	946	930	921	923	930
Interest income	122	104	95	98	92	97
Revenue from public corporations						
Dividends	406	389	428	479	481	505
Tax equivalent payments	237	230	228	252	271	288
Royalties (d)	1,006	1,136	1,005	1,014	1,044	1,034
Other	264	238	235	213	214	227
TOTAL	11,035	11,527	11,774	12,228	12,637	13,017

(a) Data quoted for 2001-02 update those published in the 2001-02 *Government Financial Results Report* and the 2002-03 *Government Mid-year Financial Projections Statement*. These data are consistent with the audited financial statements for the Government of Western Australia, published in the 2001-02 *Consolidated Financial Statements* in February 2003.

(b) Commonwealth grants to Western Australia comprise the GFS Commonwealth grants categories (ie. 'current grants and subsidies' and 'capital grants') less North West Shelf royalties and SPPs 'through' the State.

(c) SPPs 'through' the State include payments on-passed to local government, private schools and first home buyers (as part of the extended First Home Owners Scheme).

(d) Royalties comprise the GFS 'royalty income' revenue category plus North West Shelf royalties.

Note: Columns may not add due to rounding.

Growth in total operating revenue would have been 0.6% in 2003-04 in the absence of revenue measures included in this Budget.

The primary reason for low revenue growth in 2003-04 is projected low growth in Commonwealth grants to Western Australia (ie. 0.9% in 2003-04), which make up around 40% of Western Australia's revenue. This weak growth in Commonwealth grants revenue will be accompanied by lower petroleum revenue resulting from a projected decline in the oil price in 2003-04 (from its high levels in 2002-03) and an increase in the expected year average exchange rate.

Such low revenue growth is insufficient to address demand for essential services and infrastructure, while meeting the Government's overarching aim of sustainable financial management, including maintaining the general government sector in surplus. As a consequence, the Government has included revenue measures in this Budget.

The remainder of this Chapter outlines taxation revenue measures and the revenue estimates through to 2006-07 in each of the major categories. Information on major tax and royalty exemptions and concessions is included in Appendix 4: *Tax and Royalty Expenditure Statement*.

Taxation Measures

Summary

The table below summarises the impact on taxation revenue of measures included by the Government in the 2003-04 Budget. These measures will take effect from 1 July 2003.

SUMMARY OF TAXATION REVENUE MEASURES ^(a)				
	2003-04 Budget Estimate \$m	2004-05 Forward Estimate \$m	2005-06 Forward Estimate \$m	2006-07 Forward Estimate \$m
Increase stamp duty rates on conveyances by 15% across the rate scale	109.5	116.5	123.0	129.0
Increase stamp duty rate on general insurance policies from 8% to 10%	52.5	54.5	57.0	59.5
TOTAL IMPACT	162.0	171.0	180.0	188.5

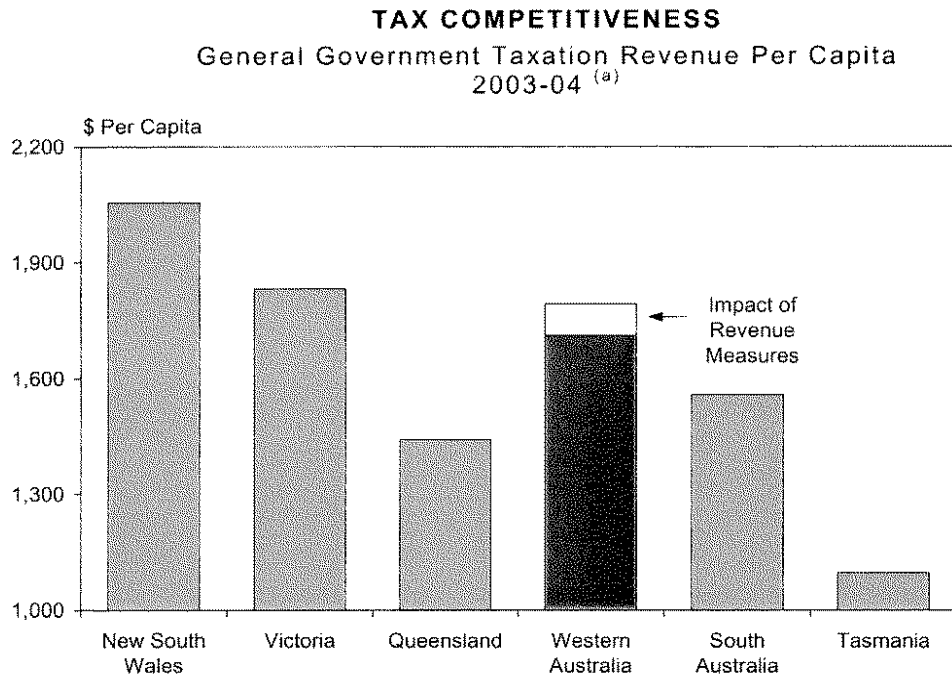
(a) Does not include the Government's decision to increase the Water Corporation's dividend payout ratio from 85% to 92%.

Note: Columns may not add due to rounding.

The specific taxation revenue measures introduced in this Budget are targeted at two of the largest stamp duty bases available to the State – stamp duty on property conveyances and insurance. Beyond these and payroll tax and land tax, the State has very few revenue raising options available to it, reflecting the Commonwealth's monopoly on income tax, Constitutional constraints and the Government's commitment to prohibit gaming machines outside of the Burswood casino.

Importantly, the revenue measures do not breach the Government's financial target of maintaining Western Australia's tax competitiveness. In 2003-04, the revenue measures are estimated to leave unchanged Western Australia's interstate ranking in terms of taxation revenue per capita relative to other Australian States and Territories. Specifically, Western Australia is expected to continue to be the fourth lowest taxing State on a per capita basis.

Chart 2



(a) Estimates of taxation revenue for other States are based on their 2002-03 mid-year review, while the 2003-04 Budget estimate is used for Western Australia. The population projections are based on data from the Australian Bureau of Statistics.

Stamp Duty - Insurance

From 1 July 2003, the stamp duty rate on general insurance policies will increase from the current rate of 8% of the premium to 10% of the premium. As the following table shows, this increase will bring stamp duty rates on general insurance in Western Australia into line with most other jurisdictions.

Table 3

INTERSTATE COMPARISON OF STAMP DUTY RATES ON GENERAL INSURANCE (%)

WA (current)	WA (new)	NSW	VIC	QLD ^(a)	SA	TAS	ACT	NT
8.0	10.0	5.0	10.0	8.5	11.0	8.0	10.0	10.0

(a) Queensland's stamp duty rate on comprehensive motor vehicle insurance is 5%.

This measure will increase the effective price of general insurance (ie. base premium plus taxes) by around 2%. This equates to an increase of around \$23 on a package of insurance policies typically taken out by Western Australian households (including home, contents, comprehensive motor vehicle insurance and motor vehicle compulsory third party insurance) worth around \$1,243 per annum⁵.

Life and workers' compensation insurance will not be affected by this measure, as they are subject to a separate stamp duty regime (which will soon be abolished as part of the Review of State Business Taxes, described in further detail below). Nor will the measure apply to health insurance or insurance on the transport of goods and commercial marine hulls, which will remain exempt from stamp duty.

Stamp Duty – Property Conveyances

From 1 July 2003, all marginal rates of stamp duty on conveyances will be increased by 15% across the rate scale. A comparison of the current conveyance duty rate scale and new conveyance duty rate scale is provided below.

Table 4

STAMP DUTY ON PROPERTY CONVEYANCES

Property Value	Current		New	
	Base Value at Threshold	Marginal Rate on Excess	Base Value at Threshold	Marginal Rate on Excess
\$0 to \$80,000	Nil	2.00%	Nil	2.30%
\$80,001 to \$100,000	\$1,600	3.00%	\$1,840	3.45%
\$100,001 to \$250,000	\$2,200	4.15%	\$2,530	4.75%
\$250,001 to \$500,000	\$8,425	5.15%	\$9,655	5.90%
Over \$500,000	\$21,300	5.50%	\$24,405	6.30%

As a result of the increase in conveyance duty rates, the maximum increase in stamp duty for an estimated two-thirds of property transfers is \$930 (ie. for property valued up to \$200,000). The following table illustrates the impact of the increased conveyance duty rates on property transfers at selected values.

⁵ The package of insurance policies valued at around \$1,243 per annum includes GST and stamp duty, but abstracts from the impact of the phasing out of the fire services levy (described later in further detail).

Table 5

IMPACT OF CONVEYANCE DUTY MEASURE ON PROPERTY TRANSFERS AT SELECTED VALUES (\$)

Property Value	Increase in Stamp Duty
\$50,000	\$150
\$80,000	\$240
\$100,000	\$330
\$200,000	\$930
\$300,000	\$1,605
\$400,000	\$2,355
\$500,000	\$3,105
\$1,000,000	\$7,105

An interstate comparison of stamp duty payable on selected property values is illustrated in the following table.

Table 6

STAMP DUTY PAYABLE ON SELECTED PROPERTY VALUES ^(a) (\$)

Value ('000)	WA (current)	WA (new)	NSW	VIC	QLD	SA	TAS	NT	ACT
50	1,000	1,150	765	1,000	975	1,080	1,050	1,213	1,000
100	2,200	2,530	1,990	2,200	2,350	2,830	2,425	2,750	2,000
150	4,275	4,905	3,740	4,660	3,975	4,830	3,925	4,613	3,750
200	6,350	7,280	5,490	7,660	5,600	6,830	5,675	6,800	5,500
250	8,425	9,655	7,240	10,660	7,225	8,955	7,550	9,313	7,500
500	21,300	24,405	17,990	25,660	15,975	21,330	17,550	27,000	20,500
1,000	48,800	55,905	40,490	55,000	34,725	48,830	37,550	54,000	49,250
5,000	268,800	307,905	260,490	275,000	184,725	268,830	197,550	270,000	319,250

(a) Based on sources of other jurisdictions as at 7 April 2003.

The amount of conveyance duty payable on the purchase of a median-priced house in Perth will still be lower than that in all jurisdictions except for South Australia and Tasmania.

Table 7

STAMP DUTY PAYABLE ON MEDIAN-PRICED HOUSE (\$)

	WA (current)	WA (new)	NSW	VIC	QLD	SA	TAS	NT	ACT
Price ^(a) ('000)	194.4	194.4	450.0	335.0	256.0	190.5	147.3	208.0	246.0
Stamp Duty ^(b)	6,120	7,015	15,740	15,760	7,435	6,450	3,845	7,180	7,340

(a) Median capital city house price as at December quarter 2002.

(b) Based on sources of other jurisdictions as at 7 April 2003.