



Outcome Based Management Policy

1. Purpose

The purpose of the *Outcome Based Management Policy* is to maintain the requirements of the Outcome Based Management (OBM) Framework.

The OBM Framework is a Department of Treasury mandatory requirement for all State Government agencies. Public sector agencies are required to report their financial and operational performance and targets in State budgets and annual reports using an OBM Framework.

The OBM Framework directly links Outcomes, Services and Key Performance Indicators (KPIs) to State Government goals and priorities. This allows the State Government to measure the success of funded services to deliver desired outcomes.

The OBM Framework describes how Outcomes, Services and KPIs are used to measure the performance of WA health entities. The OBM KPIs measure the effectiveness and efficiency of the services delivered against agreed State Government priorities and desired outcomes.

This policy is a mandatory requirement for Health Service Providers under the *Outcome Based Management Policy Framework* pursuant to section 26(2)(d) of the *Health Services Act 2016*.

This policy is a mandatory requirement for the Department of Health pursuant to section 29 of the *Public Sector Management Act 1994*.

2. Applicability

This policy is applicable to WA health entities.

The requirements contained within this policy are applicable to the services purchased from contracted health entities where it is explicitly stated in the contract between the contracted health entity and the State of Western Australia or Health Service Provider. The State of Western Australia or Health Service Provider contract manager is responsible for ensuring that any obligation to comply with this policy by the contracted health entity is accurately reflected in the relevant contract and managed accordingly.

3. Policy Requirements

OBM Annual Report Mandatory Requirements

WA health entities must:

- report against all Under Treasurer mandated Performance Indicators (PIs), OBM KPIs and targets as listed in [Addendum 1: OBM KPIs and Targets](#) in the entity's annual report
- manage all annual report requirements and undertake all collation, analysis and reporting of Under Treasurer mandated OBM KPIs and PIs for the entity's annual report production
- manage all responsibilities and prepare all relevant information related to OBM KPIs and annual report audits undertaken by the Office of the Auditor General (OAG) and/or the System Manager
- request from the System Manager audit information for OBM KPI targets when required by the OAG
- inform the System Manager of OAG required changes to OBM KPI data definitions resulting from the OAG annual audit process
- source audit data to satisfy OAG audit requirements from relevant data custodians/providers by formal request
- undertake all tasks if additional WA health entity specific PIs are developed for annual report inclusion.

OBM Budget Mandatory Requirements

To maintain the integrity and consistency of the OBM Framework, WA health entities must:

- supply accurate data and information within required timeframes as requested by the System Manager
- attend the budget estimate hearings when requested by the System Manager or the Minister for Health.

OBM Cost Centre Mapping Mandatory Requirements

To maintain the integrity and consistency of the OBM Framework, WA health entities must:

- ensure cost centre mapping for expenditure is accurate and maintained within the OBM Allocation Application in accordance with the programs listed in [Addendum 2: OBM Framework Service, Sub-Service and Programs](#) and program descriptions in the OBM Allocation Application
- submit cost centre deletions, additions or amendments to Health Support Services to load the information into Oracle 11i
- undertake cost centre apportioning in the OBM Allocation Application
- review cost centre apportioning in the OBM Allocation Application after the general ledger data download (close of business on the fourth working day of each month, with the exception of June where this is the seventh working day of the month)
- complete the review of cost centre apportioning by the eighth working day of each month (cost centres apportioned after the eighth working day will not be included in the current month reporting, with the exception of June where apportioning needs to be completed by the 11th working day of the month)
- retain adequate records to meet System Manager and OAG audit requirements
- respond in a timely manner to all System Manager requests that relate to the cost centre mapping process for the OBM Allocation Application

- create and maintain an Access Schedule for the OBM Allocation Application
- establish governance structures and approval processes for Access Schedule inclusion
- supply the Access Schedule to the System Manager when access requirements change.

OBM KPI Data Provision Mandatory Requirements

To maintain the integrity and consistency of the OBM Framework, WA health entities must:

- report all OBM KPI data in accordance with the System Manager approved data definitions and business rules
- ensure the provision and/or reporting of all OBM KPI data is in accordance with the *OBM KPI Data Definition Manual*
- provide accurate OBM KPI data or related information within required timeframes as requested by the System Manager.

4. Compliance Monitoring

The Financial Policy and Reform (FPR) Unit, on behalf of the System Manager, monitors compliance with this policy through periodic and annual reporting requirements as per Section 3: Policy Requirements.

The FPR Unit may also require further information regarding specific outcome based management activities in support of the OBM framework. In addition, the FPR Unit may conduct periodic audits of policy compliance on behalf of the System Manager.

5. Related Documents

The following documents are mandatory pursuant to this policy:

- [Addendum 1: OBM Framework KPIs and Targets](#)
- [Addendum 2: OBM Framework Service, Sub-Service and Programs](#)
- [2025-26 OBM KPI Data Definition Manual](#)

6. Supporting Information

The following information is not mandatory but informs and/or supports the implementation of this policy:

- [OBM Policy Information Compendium](#)
- [Program descriptions in the OBM Allocation Application](#)

7. Definitions

The following definition(s) are relevant to this Policy.

| Term | Definition |
|------------------------------------|---|
| Key Performance Indicator | A measurable value that demonstrates the effectiveness and/or efficiency of the services delivered. |
| Outcome Based Management Framework | The framework describes how outcomes, services and KPIs are used to measure WA health system's |

| | |
|-----------------------|--|
| | performance against agreed State Government priorities and desired outcomes. |
| Performance Indicator | A measurable value that provides an 'indication' of progress towards achieving an objective or output. |
| System Manager | System Manager means the Department CEO (Director General of the Department of Health) under section 19(2) of the <i>Health Services Act 2016</i> . |
| WA health entities | WA health entities include: (i) Health Service Providers as established by an order made under section 32 (1)(b) of the <i>Health Services Act 2016</i> . (ii) Department of Health as an administrative division of the State of Western Australia pursuant to section 35 of the <i>Public Sector Management Act 1994</i> . |

8. Policy Contact

Enquiries relating to this policy may be directed to:

Title: Director
 Directorate: Financial Policy and Reform
 Email: OBMPF@health.wa.gov.au

9. Document Control

| Version | Published date | Effective from | Review date | Amendment(s) |
|--|----------------|----------------|-------------|--------------------------------|
| MP 0115/19 | 1 July 2019 | 1 July 2019 | 1 July 2020 | Original version |
| MP 0115/19 v.2.0 | 23 June 2020 | 23 June 2020 | Annual | Major amendment details below. |
| Related documents <i>OBM KPI Data Definitions Manual</i> and <i>2019-20 OBM KPI Data Quality Statements</i> have been included. Related documents have been developed in response to the annual review of OBM KPIs in consultation with data custodians and stakeholders within the Department of Health and Health Service Providers. Updates include changes made to align with current service delivery and minor wording amendments. No changes impact the purpose or intent of the KPIs. | | | | |
| MP 0115/19 v.3.0 | 26 June 2020 | 26 June 2020 | Annual | Major amendment details below. |
| Related document <i>OBM KPI Data Definitions Manual</i> has been amended. The following updates relate to KPI 33: | | | | |
| <ul style="list-style-type: none"> The source of Silver Chain activity data has been changed from contract reports to the Non-Admitted Patient Activity and Wait list Data Collection, as recommended by the Office of the Auditor General. Bethesda Hospital activity data has been added to KPI 33, as recommended by the Budget Strategy Unit. A data quality statement has been added, following identification of a previously unknown limitation in one service provider's data. Minor amendments to wording have been made to improve clarity and transparency. | | | | |

| | | | | |
|--|------------------------|------------------------|--------|--------------------------------|
| MP 0115/19 v.3.1 | 22 July 2020 | 22 July 2020 | Annual | Minor amendment details below. |
| <p>Related document <i>OBM KPI Data Definitions Manual</i> has been amended. Updates include:</p> <ul style="list-style-type: none"> • correction of reporting period for KPIs 16 and 24 to financial year • correction of WA Country Health Service facility names in KPI 30, in alignment with Health Services (Health Service Providers) Order 2016 • wording amendment to KPI 33 quality statement to clarify that data provided by Bethesda Hospital is an estimate of episodes of care using total bed days and average length of stay to reflect agreed methodology in line with historical reporting. | | | | |
| MP 0115/19 v.4.0 | 26 May 2021 | 26 May 2021 | Annual | Major amendment details below. |
| <ul style="list-style-type: none"> • Related document <i>Addendum 1: 2019-20 OBM KPIs and Targets</i> amended to update efficiency KPIs in line with 2020-21 Budget. • Related document <i>Addendum 2: 2019-20 OBM Service, Sub-Service and Programs</i> amended to remove 23.2 Finance Accounts Receivable Services and corresponding renumbering of remaining Programs. | | | | |
| MP 0115/19 v.5.0 | 24 November 2021 | 24 November 2021 | Annual | Major amendment details below. |
| <ul style="list-style-type: none"> • Amendments to Addendum 1: Key Performance Indicators and Targets. Targets updated in alignment with Government Budget Statement process. • Amendment to Addendum 2: OBM Framework Service, Sub-Service and Programs. Heading amended to 2021-2022. | | | | |
| MP 0115/19 v.6.0 | 10 May 2022 | 10 May 2022 | Annual | Major amendment details below. |
| <p>Related Document OBM KPI Data Definitions Manual has been amended. Updates include:</p> <ul style="list-style-type: none"> • Updated title to 2021-22 OBM KPI Data Definitions Manual. • Minor wording amendments or revisions to align with current service delivery. This includes changes in governance, opening/closure of specific wards, changes to data sources and data custodians and updates in alignment with national definitions. | | | | |
| MP 0115/19 v.7.0 | 9 August 2022 | 9 August 2022 | Annual | Major amendment details below. |
| <ul style="list-style-type: none"> • Related Document Addendum 1: 2022-23 Key Performance Indicators and Targets to reflect targets updated in alignment with Government Budget Statement process. • Related Document Addendum 2: 2022-23 OBM Framework Service, Sub-Service and Programs – amended to 2022-23. | | | | |
| MP 0115/19 v.8.0 | 9 September 2022 | 9 September 2022 | Annual | Major amendment details below. |
| <ul style="list-style-type: none"> • Combined Department of Health and Health Service Providers in the one consolidated Policy. Included Department of Health within Applicability, Policy Requirements and Compliance Monitoring sections. • Amended title to remove financial year. • Removed 2021-22 – Addendum 1 and 2 as Related Documents. • Removed 2019-20 OBM KPI Data Quality Statement as Supporting Information. | | | | |
| MP 0115/19 v.8.1 | 21 December 2022 | 9 September 2022 | Annual | Minor amendment details below. |
| <p>Updated statement to Addendum 1 and includes: ‘Purchasing decisions for Mental Health Services have not been finalised at the time of publishing the 2022-23 targets. The targets will be updated by February 2023 and published on the WA Health OBM website.</p> | | | | |

| | | | | |
|--|------------------|------------------|-----------|---|
| MP 0115/19 v.9.0 | 28 April 2023 | 28 April 2023 | Annual | Major amendment. Details below |
| <ul style="list-style-type: none"> • Insertion of contracted health entity applicability statement. • Removed definition for WA health system definition. • Inserted WA health entities definition and replaced all WA health system references to WA health entities. • Removed 2021-22 Outcome Based Management Key Performance Indicator Data Definition Manual. • Inserted 2022-23 Outcome Based Management Key Performance Indicator Data Definition Manual. | | | | |
| MP 0115/19 v.9.1 | 4 May 2023 | 4 May 2023 | Annual | Amendment as detailed below. |
| <ul style="list-style-type: none"> • Related Document Addendum 1 updated to reflect the mental health efficiency KPIs for all health service providers excluding South Metropolitan Health Service. | | | | |
| MP 0115/19 v.9.2 | 9 May 2023 | 9 May 2023 | Annual | Amendment as detailed below. |
| Minor amendments to related document: 2022-23 OBM KPI Data Definition Manual (pages 2, 134 and 14) to include the mental health targets in the recently updated Addendum 1. | | | | |
| MP 0115/19 v.9.3 | 21 July 2023 | 21 July 2023 | Annual | Amendment as detailed below. |
| <ul style="list-style-type: none"> • Related Document Addendum 1 2022-23 KPIs and Targets updated to include Outcome 1 Efficiency KPIs (Service 4) and Outcome 2 Effectiveness KPIs (#17 - DOH). | | | | |
| MP 0115/19 v.9.4 | 28 July 2023 | 28 July 2023 | Annual | Amendment as detailed below. |
| <ul style="list-style-type: none"> • Inclusion of related document: Addendum 1: 2023-24 OBM KPIs and Targets for the Department and HSPs. • Inclusion of related document: Addendum 2: 2023-24 OBM Service, Sub-Services and Programs for the Department and HSPs. • Removal of related documents: Addendum 1: 2022-23 and Addendum 2: 2022-23 and moved to the archived section on policy landing page. | | | | |
| MP 0115/19 v.9.5 | 7 September 2023 | 7 September 2023 | Annual | Minor amendment as detailed below. |
| Minor updates to Related Document: Addendum 1: 2023-24 OBM KPIs and Targets for the Department and HSPs for Outcome 2–Service 6, No. 36 - Efficiency KPIs included. | | | | |
| MP 0115/19 v.9.6 | 15 December 2023 | 15 December 2023 | Annual | Minor amendment as detailed below. |
| Minor updates to Related Document: Addendum 1: 2023-24 OBM KPIs and Targets – Note 2 on Page 1 amended to state that the targets will be updated by February 2024. | | | | |
| MP 0115/19 v.10.0 | 13 June 2024 | 13 June 2024 | Annual | Amendment as detailed below. |
| <ul style="list-style-type: none"> • Inclusion of related document: Addendum 1: 2024-25 OBM KPIs and Targets for the Department and HSPs. • Inclusion of related document: Addendum 2: 2024-25 OBM Service, Sub-Services and Programs for the Department and HSPs. • Removal of related documents: Addendum 1: 2023-24 and Addendum 2: 2023-24 and moved to the archived section on policy landing page. | | | | |
| MP 0115/19 v.11.0 | 4 July 2024 | 4 July 2024 | July 2025 | Policy review-amendments as listed below. |

| | | | | |
|--|---------------|---------------|-----------|-----------------------------|
| <ul style="list-style-type: none"> Alignment to revised Policy Framework template. Compliance Monitoring section updated to reflect policy owner's responsibility for policy compliance. | | | | |
| MP 0115/19 v.12.0 | 15 July 2024 | 15 July 2024 | July 2025 | Amendment as listed below. |
| <ul style="list-style-type: none"> Related document: 2023-24 OBM KPI Data Definition Manual updated-targets for KPI 12 and 13 updated for all HSPs. | | | | |
| MP 0115/19 v.13.0 | 30 April 2025 | 30 April 2025 | July 2025 | Amendments as listed below. |
| <ul style="list-style-type: none"> Related document: OBM KPI Data Definition Manual updated. Related document: Addendum 2 Service, Sub-Service and Programs updated to reflect the delivery of Voluntary Assisted Dying (VAD) services. | | | | |
| MP 0115/19 v.14.0 | 18 June 2025 | 18 June 2025 | July 2025 | Amendment as listed below. |
| <ul style="list-style-type: none"> Related document: Addendum 1 2024-25-KPIs and Targets updated - targets for KPI 12 and 13 updated for all HSPs. | | | | |
| MP 0115/19 v.15.0 | 24 June 2025 | 24 June 2025 | July 2025 | Amendment as listed below. |
| <ul style="list-style-type: none"> Related document: Addendum 1 2024-25-KPIs and Targets updated-KPI 17 'Potential years of life lost' targets updated. | | | | |
| MP 0115/19 v.16.0 | 16 July 2025 | 16 July 2025 | July 2026 | Amendment as listed below. |
| <ul style="list-style-type: none"> Related documents: Inclusion of Addendum 1 2025-26 OBM Framework KPIs and Targets and Addendum 2 2025-26 OBM Framework Service, Sub Service and Programs updated. Related documents: Removal of Addendum 1: 2024-25 and Addendum 2: 2024-25 and moved to the archived section on policy landing page. | | | | |
| MP 0115/19 v.17.0 | 16 April 2026 | 16 April 2026 | July 2026 | Amendment as listed below. |
| <ul style="list-style-type: none"> Related document: OBM KPI Definition Manual updated-2025-2026. | | | | |

Note: Mandatory policies that exceed the scheduled review date will continue to remain in effect.

10. Approval

| | |
|----------------------|--|
| Approval by | Dr David Russell-Weisz, Director General, Department of Health |
| Approval date | 1 July 2019 |

This document can be made available in alternative formats on request for a person with a disability.

© Department of Health 2025

Copyright to this material is vested in the State of Western Australia unless otherwise indicated. Apart from any fair dealing for the purposes of private study, research, criticism or review, as permitted under the provisions of the *Copyright Act 1968*, no part may be reproduced or re-used for any purposes whatsoever without written permission of the State of Western Australia.

Ensure you have the latest version from the [Policy Frameworks](#) website.
Compliance with this document is mandatory.

Page 8 of 8