ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

SUPPLEMENTARY INFORMATION

MINISTRY OF HEALTH

FRIDAY, 2 JULY 2010

Question No B1: Hon Ken Travers asked how much is paid on an annual basis under each of those contracts for the administration of services at each of those hospitals, being the Joondalup and the Peel Health campuses. If we can then get an explanation of the contract payment arrangements with respect to the payment of rent—I think it is also referred to as an availability charge. Could we get a breakdown of what money has been paid for the past three years and is expected to be paid this year in respect of that?

Answer:

Peel Health Campus

Peel Health Campus	
Financial Year	**Service Expenditure** $'000s
2006/07	45,600
2007/08	51,682
2008/09	57,397
2009/10	62,676

There is no availability charge paid by the Department of Health to Health Solutions who administer the Peel Health Campus. Please see explanation in response to supplementary information B2.

Joondalup Health Campus

Joondalup Health Campus		
Financial Year	**Availability Charge** $'000s	**Service Expenditure** $'000s
2006/07	5,178	112,743
2007/08	5,178	124,691
2008/09	5,024	156,219
2009/10	5,024	167,760

Question No B2: Hon Ken Travers asked: My next question continues on with respect to the Peel Health Campus and the contract with Health Solutions. As I understand it, there is a requirement under the contract for them to pay a rent fee. I am not sure whether it is to yourselves or whether it is to what used to be CAMS; it is probably works and services or somewhere else these days. I am just trying to understand what payments are made in respect to rent between the government and Health Solutions. As I understand it, in the contract there is quite a round-robin system of money being paid back and forth to people. I am just wondering if someone can explain to me how much is paid in each financial year and how much you expect to get for this financial year. If we can then get an explanation of the contract payment arrangements with respect to the payment of rent—I think it is also referred to as an availability charge. Could we get a breakdown of what money has been paid for the past three years and is expected to be paid this year in respect of that?

Answer: Under the State agreement with Health Solutions, Health Solutions pays an amount of rent each year to access medical consulting rooms at the Peel Health Campus. This agreement is between the Building Management and Works (BMW), a business unit within the Department of Treasury and Finance, and Health Solutions and is not part of a WA Health agreement.

Contractual arrangements required that the Department of Health paid an availability payment to Health Solutions and that Health Solutions paid the same amount as rent to the BMW or its predecessors. The amount represented the repayment of the loan from the WA Treasury Corporation that the BMW had used to fund the construction of the Peel Health Campus.

This repayment process was simplified by the parties so that the Department of Health paid the required amount directly to the WA Treasury Corporation through the BMW. Health Solutions was no longer involved in the payment chain.

Under this arrangement, amounts of $6.229 million were paid by the Department of Health to the WA Treasury Corporation (through the BMW) in 2006/07 and 2007/08.

In 2008/09, the residual amount of the loan, including outstanding interest and penalties, of $48.16 million was paid by the Department of Health to the BMW. No further loan repayments are to be made.

Question No B3: Hon Ken Travers asked: My next question is also about the Peel Health Campus. I understand that they are required to make provision for the maintenance and replacement of equipment. I wonder whether the department is able to provide any information on what monitoring they do to ensure that it is being complied with. How much is currently provided for? Do you maintain a reconciliation of how much has been provided for by Peel Health Campus? Where is the money held? How much is spent, and how much is currently in reserve for the replacement and maintenance of equipment? I understand that under the contract, that was originally provided for by the state government.

Answer:

- The Operator (Health Solutions) is responsible for replacement of items which are broadly defined as not fixed, plumbed or wired and/or moveable items including furniture.
- The Operator is required to have a "Sinking Fund" to which 2% of the payments received in relation to the publically funded activity be used for replacements.
- The balance of funds within the "Sinking Fund" is part of Health Solutions accounts and as such is not disclosable.
- An audit undertaken on the sinking fund found that it was compliant in relation to:
    - Provide, supply, install and maintain defined equipment;
    - Hold a sinking fund for the State;
    - Establish and maintain an asset register; and
    - Take all reasonable care to safeguard equipment.

Question No B4: Hon Ken Travers asked: In terms of the contract that you have for both Joondalup and Peel, I understand both have variations on a theme in which you pay on the average cost of like hospitals. What information do you then use to determine the average cost of like hospitals when you fund the Peel Health Campus?

Answer:

- Peel Health Campus (PHC) price for inpatient (DRG) services are based on the benchmark price or last year's price indexed by the Perth Health Care Index, which ever is lower.
- The current estimate is that the PHC price for DRG services is approximately 10% below the benchmark price.
- Non-DRG services are based on either benchmark costs or use of escalation.

Question No B5: Hon Ken Travers asked: Could you indicate the estimated saving, and also the quantum of those savings, in each year for the last, three or four years under the Peel contract? Can we get for the last three or four years how much has been paid under each of those contracts, if that is possible?

Answer: The Department of Health is able to confirm savings within the existing contract, however it would not be in the Department's commercial interest to disclose this information beyond confirming savings to the extent of 10% of the benchmark price.

Question No B6: Hon Philip Gardiner asked a question in relation to a hearing with the Mental Health Commission. We understand the service provider funding model that we talked about on that occasion. There is a line that you will probably not have in your papers—not this amount anyway—of $446 million under "Other expenses" which I understand will be for programs and services provided by the health department to the Mental Health Commission. As I read your papers, I read the number as being a little bit less—$440 million. Is the $6 million difference as a result of the activity-based budgeting process or is it a difference for some other reason?

Answer: The 2010/11 Budget Statements identify an amount of $446.35 million in the "other expenses" category of the Mental Health Commission's Income Statement (part of Division 60), and an amount of $440.58 million in the "Contracted Mental Health" service in the Department of Health's division of the Budget Statements (Division 13).

There is no misalignment between planned spending by the Commission on mental health services to be provided by the Department of Health, and the Department's expectation of the revenue to be received from the Commission in 2010/11 to deliver mental health services.

The figure of $446.35 million shown in the Commission's Income Statement comprises:

- funding of $440.58 million to be provided to the Department of Health in respect of services to be provided by the Department under a Service Level Agreement with the Commission in 2010/11, and is consistent with the value shown in the relevant service in the Department of Health's budget statements.
- balance of $5.77 million being other approved expenditure by the Commission which is not classified in the Income Statement as either employee benefits or grants and subsidies. This comprises funding under the Mental Health Strategy the distribution of which in 2010/11 has not yet been finalised.

Question No B7: Hon Ken Travers asked: I know that somewhere in the department there is a contract officer who manages the contract for Joondalup and Peel. Perhaps a question you can take on notice

is: for Peel Health Campus, how much have you spent on legal fees in the past two years to get advice on the way in which you manage that contract?

Answer: The legal fees to date, over the last two years, for the Peel Health Campus (PHC) was $21,693.16 (incl GST) which was paid to support the PHC Paediatric's Ward negotiations and documentation.

Question No B8: Hon Ljiljanna Ravlich asked: Can we get a copy of your public–private comparator framework? There must be an instrument that you put over these projects when you assess whether the indicators tell you to go one way or the other.

Answer: The private sector comparator (PSC) framework utilised by the State is based on the National Public Private Partnerships (PPP) Policy and Guidelines. The Guidelines have been prepared and endorsed by Infrastructure Australia and the State, Territory and Commonwealth Governments as an agreed framework for the delivery of PPP projects.

Volume 4 of the National PPP guidelines *"Public Sector Comparator Guidance"*, published by Infrastructure Australia, provides technical and practical guidance on the process for, and issues associated with, the development of the PSC. A copy of the guidance is available from the Infrastructure Australia website www.infrastructureaustralia.gov.au

Question No B9: Hon Liz Behjat asks "Can we get a breakdown of how that money is expended? I am trying to drill down to find out how much we are spending on prevention and education awareness programs for drug and alcohol problems in this state."

Answer: Expenditure on prevention and education awareness programs for drug and alcohol problems in Western Australia

2009/10 PREVENTION ACTIVITY EXPENDITURE	**$000's**
Alcohol Programs	
• Alcohol management and safer settings	90
• Alcohol campaigns	840
• Other community education	300
Drug Program	
• Drug campaigns	620
• Other community education	410
Community Programs	420
Prevention Research	290
School Drug Education	1,230
Local Drug Action Groups	520

Salaries	1,490
TOTAL	**6,210**

The Prevention Program conducted by the Drug and Alcohol Office (DAO) in 2009/10 budgeted an expenditure of $6.21m of funds (as per above table) from the total DAO budget of $52.755m as detailed in the Budget papers.

The funds provided a range of prevention and early intervention programs and services that aimed to:

- prevent or delay the onset of drug and alcohol use;
- support environments that discourage harmful use;
- enhance community awareness, attitudes and skills to avoid harmful use;
- support and enhance the community's capacity to address drug and alcohol problems; and
- support initiatives that discourage inappropriate supply of drugs and alcohol.

1. Alcohol Programs

The Alcohol Program aims to prevent and reduce the harmful use of alcohol and associated harm. As part of a comprehensive approach, evidence-based structural, legislative and education initiatives are undertaken in conjunction with research and evaluation of programs. Community capacity building and action are key components of this approach.

Some examples of activity included:

- The next phase of the *Alcohol. Think Again* campaign which aims to decrease alcohol-related harm by reducing short-term and long-term harmful drinking in the community. The campaign will be leveraged with major sponsorships supporting the *Alcohol. Think Again* message, funded by Healthway. The Alcohol campaigns target the general population including young people and are designed to enable specific issues and groups to be targeted whilst also maintaining an underpinning culture-change message.
- Continued monitoring of liquor licence applications and assistance to the Executive Director of Public Health in liquor licensing matters to reduce harm or ill-health that may occur due to the use of alcohol, particularly those that relate to high risk communities.
- The capacity of Local Governments to respond to local alcohol problems can be enhanced by the development of Local Government Alcohol Management Plans using existing legislative and policy mechanisms to consider how alcohol is made available in the community. This project, supported by an expert advisory group of local government officers and the WA Local Government Association, worked in collaboration with existing networks and strategies to raise awareness regarding effective practice and build the capacity of local government to prevent and minimise alcohol-related problems.
- Responsible service of alcohol education encouraging patrons to comply and cooperate with the legal responsibility of licensees and staff to not serve people to the point of intoxication.

2. Drug Programs

The Drug Program aims to prevent or delay the onset of drug use and reduce associated harm. This is largely achieved through community education and the development of supportive partnerships to enable effective and targeted program delivery.

Some examples of activity included:

- Further development and implementation of *Drug Aware* Campaign. The campaign utilised visual and informative mediums such as television, viral video, print, convenience advertising and targeted unpaid media strategies to communicate prevention and education messages to young people, and people attending events and licensed premises to engage the target group in high-risk environments, when they are more predisposed to the message. In 2009/10 the campaign included phases addressing different drug-related issues. They included the;
  - Amphetamine Prevention Campaign
  - Drug Driving Campaign
  - Night Venues and Entertainment Events Campaign.
- Volatile substance education initiatives including promoting the Retailers' Code of Conduct and developing resources for use by community-based agencies working with young people misusing volatile substances.

3. Community Programs

The Community Program area supports communities to identify and address alcohol and other drug-related harms at a state, regional and local level. This is achieved through:

- Targeted capacity building for community and agencies
- Establishing and maintaining state, regional and local networks
- Leading the development of alcohol management plans across the state
- Advocating for targeted funding opportunities
- Supporting the development of localised initiatives to address localized problems

Some examples of activity included:

- Establishment and ongoing coordination of local alcohol management committees and implementation of regional alcohol management strategies and other prevention initiatives in Fitzroy Crossing, Halls Creek, the West Pilbara (area covering towns in the Shire of Roebourne and the Shire of Ashburton), Carnarvon, Mullewa, Dongara and Morawa, as part of a comprehensive approach to tackling alcohol and drug problems.
- Commissioning reports on the impact of liquor restrictions after;
  - 24 months in the Fitzroy Valley
  - 12 months in Halls Creek is underway.
- Supporting the development of the South West regional alcohol management plan following the successful South West Regional Alcohol Management Forum.
- Continued support and assistance to other Western Australian communities acting to reduce alcohol-related problems through capacity building opportunities, resource development and regular liaison with key stakeholders and service providers.
- Developing an alcohol community grants program in collaboration with Healthway targeting priority groups including young people, rural and remote communities and Aboriginal people.
- Development of specific community education materials in a range of media targeting specific issues, sections of the community or localities. For example, campaign messages and materials are adapted for Aboriginal communities through the Strong Spirit Strong Mind Program.

4. School Drug education

The School Drug Education and Road Aware (SDERA) Program was first implemented in 1997 and promotes and works within the guidelines of the Nationally recognised principles of best practice pertaining to drug education. The project is cross-sectoral in nature in that it is available to all Government, AISWA and CEO schools in the State. It provides free drug education curriculum resources to every Western Australian school, free teacher training and policy development support for schools and their community.

The aim of the project is to ensure that effective drug education is available to all schools in Western Australia.

5. Local Drug Action Groups
Local Drug Action Groups (LDAGs) provide local communities with the means to address local drug and alcohol use issues through local solutions. All LDAGs form part of an incorporated management group (LDAG Inc) and are funded under a service agreement with the Drug and Alcohol Office.

6. Prevention Research
This research includes a combination of different research projects investigating the key prevention research issues with the findings used to strategically inform campaign messages and policy initiatives that can prevent and reduce the harmful use of alcohol and other drugs and associated problems.

Question No B10: Hon Philip Gardiner asked:

1. *Has Fujitsu's contract been completed—I am not sure of the details—or has Fujitsu completed what it was obliged to do contractually?*

2. *I wonder whether I could ask, if procurement processes have been formalised, whether just the guidelines and principles of that process could be provided to the committee as supplementary information.*

Answer:

1. Fujitsu is the prime contractor for the Department of Health's InfoHEALTH Alliance Contract. The current contract is due to expire on the 7 December 2011.

2. The Department of Health has in place a Memorandum of Understanding (MOU) recognising the contracting services provided by the Department of Treasury and Finance (DTF) to Health.

   Under the MOU, DTF provides specialist and customised tendering and contracting services to Health for procurements of goods and services under the State Supply Commission Act 1991 valued at or above $150,000 (GST-inclusive).

   The framework is detailed below and the guidelines are contained within the Health Accounting Manual (see attachment)

WA Health Framework for Goods & Services Procured Under the State Supply Commission Act 1991

Minister for Health	Granted a partial exemption under the State Supply Commission Act 1991 in respect of the supply of goods and services to enable WA Health to purchase.
State Tender Review Committee (STRC)	Endorses and makes recommendations on WA Government agency Procurement Plans ($5m and above) and Evaluation Reports ($1m and above) prior to approval by the agency.

Health Supply Council /Contracts Committee	Endorses and makes recommendations on WA Health Procurement Plans ($5m and above) and Evaluation Reports ($150,000 and above) prior to approval.
Director General	Is authorised by the State Supply Commission to approve waivers and exemptions to SSC Policy. The Director HCN Supply has authorised power to approve exemptions on the DG's behalf.
DTF Health Cluster[1]	Undertakes tendering & contracting above $150,000 with the exception of ICT.
DTF ICT[2] Health	Undertakes, quotations and tendering & contracting above $20,000 for all ICT purchases.
HCN Supply	Undertakes quotations between $20,000 and $150,000 with the exception of ICT.

[1] WA Country Health Services utilise DTF Building Management and Works Regional Program Offices for non-medical purchases above $20,000.
[2] Information and Communications Technology (ICT)

Question No B11: Hon Ljiljanna Ravlich asks: I understand that five industrial agreements for doctors are due to expire on 30 September. I do not know how many expire for nurses, but you might give that information to me. I understand that the doctors have submitted a log of claims. No doubt the director general may well have seen that log of claims. Could the director general provide the committee with the essence of what that log of claims includes, because the government wages policy is about 2.5 per cent, 2.75 per cent and three per cent, in three phases I understand? I am assuming they have asked for more than that. Could you give us the percentages of what they have sought from their end?

Answer: The Australian Medical Association claim is for headline base salary increases of 4% in each year of a three year industrial agreement. Taking into account all changes in conditions sought the projected growth in Total Employment Cost, if the claim was agreed in its entirety, would be -

	2010/11	2011/12	2012/13
Increase in each Financial Year	12.6%	7.2%	4.2%

Question No B12: Hon Ljiljanna Ravlich asks: Can you provide to the committee the log of claims that was presented to the minister and through the minister to the director general for the following industrial agreements that will expire on 30 June: the Department of Health Medical Practitioners (Metropolitan Health Services) AMA Industrial Agreement 2007; the Department of Health Medical Practitioners (Director General) AMA Industrial Agreement 2007; the Department of Health Medical Practitioners (Drug and Alcohol Office) AMA Industrial Agreement 2007; the Department of Health Medical Practitioners (WA Country Health Service) AMA Industrial Agreement 2008; and the Department of Health Medical Practitioners (Clinical Academics) AMA Industrial Agreement 2008? Can you provide the committee with the relevant agreements that cover nurses, and give the committee an indication of when they expire; and, also, whether you have received a log of claims from the Australian Nursing Federation in relation to what they seek as part of their EBA?

Answer:

Medical Practitioners

The Australian Medical Association log of claims was presented in the form of a 101 page document showing proposed changes to the construction of the current industrial agreement. The elements of the claim which have a material cost are summarised as follows -

Penalties - shift
Evening increased from 120% to 130%
Midnight increased from 125% to 150%
Friday 6pm to 12 midnight on a Saturday - from 120% to 175% (6 hours)
Saturday 12 midday to midnight (12 hours) increase from 150% to 175%
Long Service Leave
From 10,7,7 to 7,7,7.
Public holidays as additional days leave within a LSL period
Attraction and Retention Allowance
5% of Paypoint 25 for every five years
Annual leave loading
17.5% annual leave loading from 0%
On Call Allowance
A practitioner at or below L13 base rate from L5 to L8
A practitioner at or above L14 base rate from L20 to L22
Professional Development Leave
Increase from 2 weeks to 3 weeks
Professional Development Leave
Accrue to a maximum 12 weeks assuming 3 weeks per annum.
Junior Practitioners
Trainee MA or PHP Paypoint 12 progress to paypoint 13
Senior Practitioners
Consultants year 9 progress to year 10 (paypoint 25)
Total Consultants year 9 progress to year 10 (paypoint 25)
Head of Department Allowance (paypoint 25)
10% for under 10,15% for 10-20,20% for over 20, 25% for over 40, 15% for Deputy head (x% of L25)

Nurses

The Registered Nurses & Midwives Industrial Agreement - Australian Nursing Federation (ANF) expired on 30 June 2010.

Bargaining for Registered Nurses & Midwives was initiated by the Department of Health on 9 March 2010 by way of a written offer to the ANF in terms consistent with Government Wages Policy.

Enrolled Nurses and Assistants in Nursing Industrial Agreement - Liquor Hospitality and Miscellaneous Union (LHMU) expires on 6 October 2010.

Bargaining for Enrolled Nurses and Assistants in Nursing was initiated on 11 March 2010 by way of a written offer to LHMU in exactly the same terms as the ANF except that the commencement date of the replacement agreement would be 7 October 2010.

A claim was received from ANF on Tuesday 15 June 2010 with the following components:

Salary

- 20% increase over three years effective from 1 July 2010 - which is the end of the current agreement
- Review of the rates of pay calculation and provision of hourly rates to be included in the agreement

Retention

- A retention bonus of $1000 per year for all permanent nursing and midwifery staff - to be collected no earlier than 5 years service. This payment would be pro-rata for part-time employees.

Salary Sacrifice

- Salary Sacrifice arrangements to return to those that existed prior to the changes announced by the Director General on 4 March 2010 – with the only restrictions being those imposed by the Australian Taxation Office

Allowances

- Night shift penalty on Sunday extending to 0730 on Monday when the Monday is a public holiday
- Introduction of a lead apron allowance of $1.64 per hour
- Increase in casual loading to 25%

Career Structure

- Two additional increments for Enrolled Nurses & Enrolled Mental Health Nurses
- Two additional increments for Level 1
- Two additional increments for Level 2
- Review of Staff Development Nurse positions and Area Manager Nurse positions to determine those positions that should be reclassified as Senior Registered Nurses
- Senior Registered Nurse positions to be reclassified with the starting point being SRN 3 and all other positions adjusted up accordingly
- Starting level for Nurse Practitioners will be SRN 8, moving to SRN 10 after 5 years of service
- Requirement for promotional positions that have been vacant, or have had an acting person in the position, for a period exceeding 12 months to be filled with a permanent employee within 3 months
- Automatic classification of Level 1.2 to those employees who have completed the EN pathway program and have worked a minimum of 832 hours
- Automatic payment of Level 1.3 to those employees who are converting from EN and who have worked the equivalent of 5 years as an EN prior to registration as an RN

Parking

- Nurses will be provided with safe and secure parking within a reasonable distance of their work

- The Parking charges applicable to nursing staff as at 1st January 2010 will remain - with any increase limited to an amount no greater than the CPI of the previous quarter as determined by the Australian Bureau of Statistics.

Leave

- Annual leave to be available for double the time at half pay
- Purchased leave to be at the option of the employee
- Deferred salary scheme to be at the option of the employee
- Long Service leave accrual to be 13 weeks after 7 years
- Pro rata long service leave to be available after 5 years
- Accrued days off to be reinstated for all part time employees who work more than 41 hours per fortnight
- 15 days paid personal leave per year.
- No medical certificate required for personal leave
- Sick leave paid travel time of up to 38 hours per year where employees required to travel greater than 100km from their place of work for medical treatment.
- Ability to cash in personal leave or convert the personal leave to annual leave when the personal leave balance exceeds 304 hours.
- 18 weeks paid parental and adoption leave in addition to any leave provided for by the Federal Government
- A review of the annual leave travel concessions to ensure they are commensurate with other public sector occupations

Professional Development

- 10 days professional development leave for all employees with an additional 2 days of leave for those who work at a facility that is greater than 150 km from Perth GPO, and an additional 4 days leave for those who work at a facility that is greater than 300km from Perth GPO
- An employee can opt for a payment of $2000 in lieu of professional development leave
- Greater access to study leave for tertiary studies that are relevant to an employee's position
- Midwifery Training leave for those midwives employed in facilities where the number of births and/or the number of midwifery hours are less than the hours required by the National Nursing and Midwifery Board to maintain registration.

Qualification Allowance

- Casual staff no longer excluded from applying for the Qualification Allowance and where those applications are successful, the payment is made at an hourly rate
- EN - Qualification allowance of 3.5% (based on the current formula) for one or more post enrolment courses of not less than 6 months duration
- That the definition of qualification allowances be expanded to include qualifications acquired through TAFE – where they are of equivalent study time to the existing definitions
- Qualification allowance to be included in calculating superannuation payments

Housing

- Review of housing availability and standards for members working in rural and remote locations

Contract

- The employer will pay for any pre-employment screening and health testing

- Development of a suitable timeframe for HCN to process job applications to avoid the unnecessary delays currently being experienced.

Higher Duties

- Higher duties allowance to be paid on a daily basis – and this includes the commuted overtime allowance for those required to carry a pager or other mobile communications device during their breaks

Motor Vehicles

- Community nurses to be paid at the non-voluntary car allowance rate when the employer is unable to provide a departmental vehicle.

On Call

- On call rate of $10 per hour
- Commuted on call allowance for those nurses required to carry a pager or other mobile communications device through their meal breaks

Policy

- The HDWA will work with the ANF to ensure, where practicable, there are consistent and standardised policies, practices and protocols in place across all public sector workplaces in WA.

Remote Employees

- A review of the benefits and conditions of remote area employees to ensure they are commensurate with other public sector occupations

Rosters

- Minimum shift length for a part time employee to be 3 hours
- Roster to be provided at least one month prior to the beginning of the roster
- A template ANF 12 hour roster arrangement be the starting point for any future 12 hour roster agreement with variance from the agreement requiring the agreement of the ANF
- A template Fly in Fly out (FIFO) roster arrangement to be the starting point for any future FIFO hour roster agreement with variance from the agreement requiring the agreement of the ANF

Rural Gratuities

- Rural and Remote gratuities to be extended to those employed on graduate nurse and midwifery programs as well as those who are unable to obtain permanent employment – that is, where there is no option made available for permanent work
- Rural and remote gratuities that currently exist in the Kimberley and the Pilbara be extended to Goldfields, Midwest, Esperance, Ravensthorpe, Norseman, Wheatbelt and other similar locations as well as for all categories of employees

Transfer

- A review of the conditions for those employees required to transfer to ensure they are commensurate with other public sector occupations

Workers compensation

- Employees injured at work who require time away from work because of those injuries will be paid an amount equivalent to their normal earnings (including an average of the shift penalties

and on call payments earned in the previous 13 weeks) – this provision will also apply those employees over the age of 65.

Scope and parties bound

- Clarification should there be a change of employer during the life of the agreement as a result of any takeover by the Federal Government.

The claim was substantially modified by the ANF on 14 July 2010. The modified claim is currently being assessed.

Question No B13: Hon Ken Travers asked: How many mental health beds do you have staffed at the moment?

Answer:

CURRENT MENTAL HEALTH BEDS - PHYSICAL CAPACITY AND STAFFING

METROPOLITAN	Secure Staffed Beds	Non-Secure Staffed Beds	Total Physical Capacity as per CSF 2010	Notes
NORTH METRO				
Joondalup	10	32	31	Capacity increased following expansion of MHU in 2009
Swan	6	35	41	
Osborne	0	24	24	
SCGH	0	36	36	
SOUTH METRO				
Royal Perth	0	20	20	
Bentley	24	84	115	
Fremantle	10	54	66	
Armadale	14	27	40	
STATEWIDE				
KEMH	2	6	8	
PMH	0	8	8	
Graylands/Selby	174	80	254	
METRO TOTAL	240	406	**643**	
COUNTRY				
Kalgoorlie	0	7	9	
Albany	2	7	9	
Bunbury	7	20	33	
Broome	0	0	0	Currently building a 14 bed APU, due for completion late 2011
COUNTRY TOTAL	9	34	**49**	
GRAND TOTAL	**249**	**440**	**694**	

Staffed beds as at 13th July 2010
Published CSF 2010, released in December 2009

Question No B14: Hon Ken Travers asks:

1. *I would like the same numbers for the general bed numbers by facility—in regional Western Australia, maybe by region rather than by individual facility, so Goldfields, South West et cetera—the potential bed capacity and the number that are actually staffed. If it is reported on the first of the month or the thirtieth of the month, then I am happy for it to be the last reporting date.*

2. *The final area in terms of information I am interested to find—again, if it is on the website I am happy to be referred to that—is information for each of the hospital facilities in regions in country WA and the number of filled positions and vacant positions for both medical and nursing staff. Do you have a composite list showing that information? Are you able to quickly say that at Sir Charles Gairdner Hospital there are X number of filled medical staff positions and X number of vacancies?*

Answer:

1 The potential bed facility and actual staffed beds for regional Western Australia is available on the internet link below:

http://www.health.wa.gov.au/emergencyactivity/beds/countrymhealth.cfm

2 In country regions, there are 123 nurse vacancies and there are 27 medical officer vacancies. These vacancies are covered by casual or locum employment.

Question No B15: Hon Ken Travers asks: Can the Minister provide information on the number of FTEs that were tracked on a weekly or monthly basis over 12 months, so that we can get a sense of that snapshot in time? There might be high or low number of FTEs. If a similar sort of tracking on a monthly basis of the activity levels within the department could be provided at the same time, it would be useful as well.

Answer:

Table 1: FTE totals by Workforce Model Account Group with Split, 2009/10

	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Average
1. Nursing Agency	247.6	217.9	186.2	157.9	165.6	150.6	153.6	185.8	146.9	162.1	192.3	n/a	178.8
2. Nursing Staff	11,586.5	11,747.2	11,713.5	11,624.4	11,551.8	11,494.2	11,331.3	11,546.6	11,680.6	11,583.7	11,655.5	n/a	11,592.3
3. Medical Salaried	2,888.1	2,829.0	2,994.7	2,947.7	3,020.7	2,988.4	3,017.2	3,016.3	3,109.0	3,161.7	3,097.7	n/a	3,006.4
4. Medical Sessional	305.0	305.7	300.4	298.4	292.0	290.9	290.1	291.8	354.3	272.4	298.4	n/a	299.9
5. Medical Agency	71.0	66.9	68.7	65.9	58.5	73.4	51.7	79.5	70.6	62.0	78.9	n/a	67.9
6. Medical Support	5,135.5	5,172.5	5,141.2	5,122.0	5,155.1	5,173.5	5,125.5	5,201.1	5,266.5	5,233.7	5,283.2	n/a	5,182.7
7. Admin & Clerical	6,522.7	6,531.1	6,440.2	6,366.7	6,283.3	6,218.3	6,131.5	6,190.4	6,219.9	6,239.3	6,341.7	n/a	6,316.8
8. Hotel Services	4,062.2	4,066.6	4,022.4	3,938.3	3,950.0	3,908.6	3,906.8	3,944.1	3,944.5	3,921.1	3,951.1	n/a	3,965.1
9. Site Services	782.5	781.3	787.1	776.6	767.1	769.6	741.0	766.5	771.5	759.0	782.1	n/a	771.3
Total	**31,601.1**	**31,718.2**	**31,654.3**	**31,297.9**	**31,244.1**	**31,067.5**	**30,748.7**	**31,222.0**	**31,563.9**	**31,395.0**	**31,680.9**	**n/a**	**31,381.2**

Data source: HR Data Warehouse. Data extracted on 8th June 2010.
Totals may not add due to rounding.
See data notes for details of account code groupings.
The average shown above is the financial year-to-date average FTE (i.e. the average of the FTE in the months July 2009 to May 2010).
June 2010 FTE was not available from the HR Data Warehouse at the time of reporting.

Table 2: FTE Monthly Percentage Change, 2009/10

	Jul to Aug 09	Aug to Sep 09	Sep to Oct 09	Oct to Nov 09	Nov to Dec 09	Dec 09 to Jan 10	Jan to Feb 10	Feb to Mar 10	Mar to Apr 10	Apr to May 10	May to Jun 10
1. Nursing Agency	-12.0%	-14.5%	-15.2%	4.9%	-9.1%	2.0%	21.0%	-20.9%	10.4%	18.6%	n/a
2. Nursing Staff	1.4%	-0.3%	-0.8%	-0.6%	-0.5%	-1.4%	1.9%	1.2%	-0.8%	0.6%	n/a
3. Medical Salaried	-2.0%	5.9%	-1.6%	2.5%	-1.1%	1.0%	0.0%	3.1%	1.7%	-2.0%	n/a
4. Medical Sessional	0.2%	-1.7%	-0.6%	-2.1%	-0.4%	-0.3%	0.6%	21.4%	-23.1%	9.6%	n/a
5. Medical Agency	-5.7%	2.6%	-4.0%	-11.2%	25.5%	-29.5%	53.7%	-11.2%	-12.2%	27.3%	n/a
6. Medical Support	0.7%	-0.6%	-0.4%	0.6%	0.4%	-0.9%	1.5%	1.3%	-0.6%	0.9%	n/a
7. Admin & Clerical	0.1%	-1.4%	-1.1%	-1.3%	-1.0%	-1.4%	1.0%	0.5%	0.3%	1.6%	n/a
8. Hotel Services	0.1%	-1.1%	-2.1%	0.3%	-1.0%	0.0%	1.0%	0.0%	-0.6%	0.8%	n/a
9. Site Services	-0.2%	0.7%	-1.3%	-1.2%	0.3%	-3.7%	3.4%	0.7%	-1.6%	3.0%	n/a
Total	**0.4%**	**-0.2%**	**-1.1%**	**-0.2%**	**-0.6%**	**-1.0%**	**1.5%**	**1.1%**	**-0.5%**	**0.9%**	**n/a**

Data source: HR Data Warehouse. Data extracted on 8th June 2010.
Totals may not add due to rounding.
See data notes for details of account code groupings.

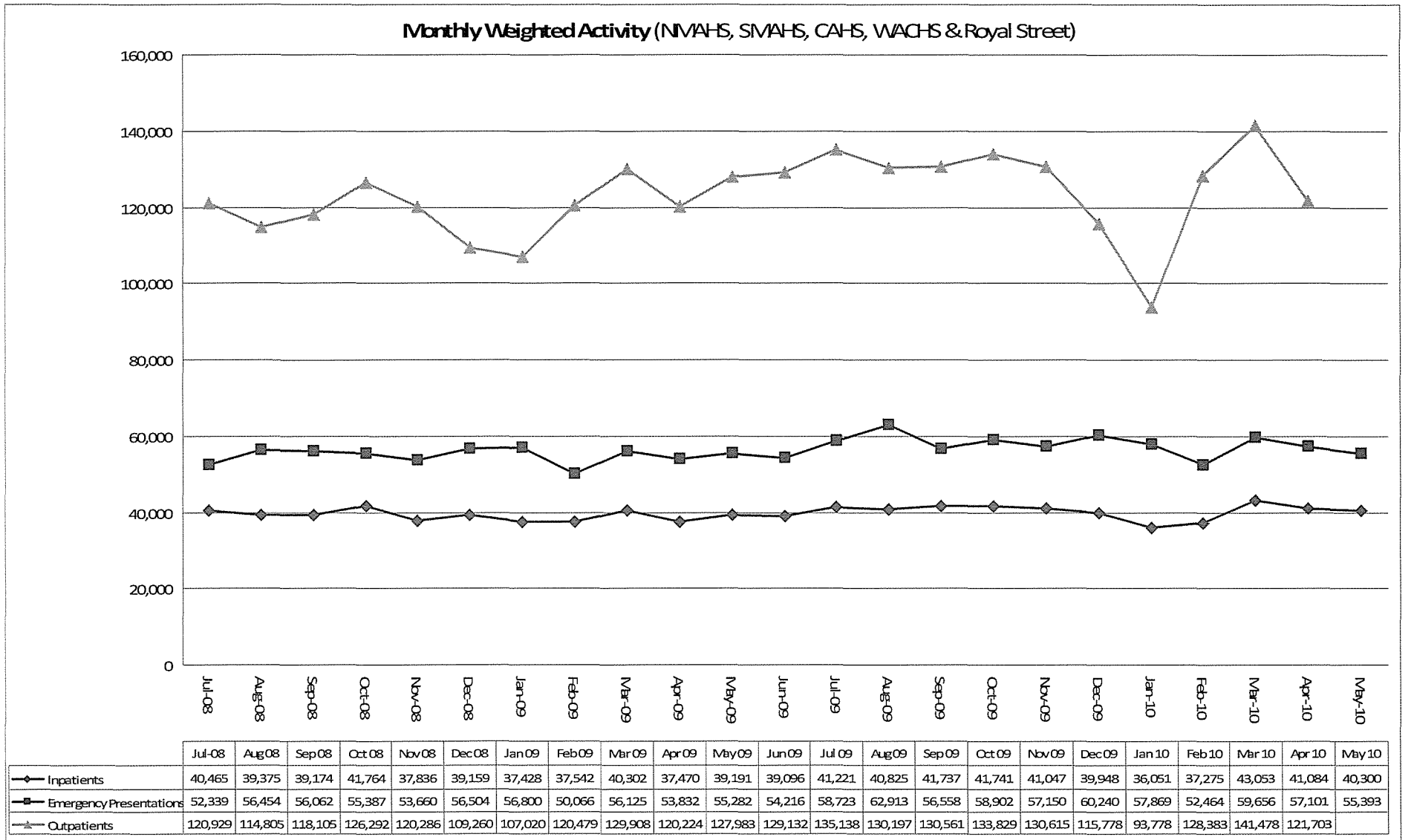
Table 3: FTE Average Financial Year (July to May) Comparison and Percentage Change

	2008/09	2009/10	Change (no.)	Change (%)
1. Nursing Agency	335.7	178.8	-156.9	-46.7%
2. Nursing Staff	11,158.8	11,592.3	433.5	3.9%
3. Medical Salaried	2,788.4	3,006.4	218.0	7.8%
4. Medical Sessional	287.0	299.9	13.0	4.5%
5. Medical Agency	67.5	67.9	0.4	0.6%
6. Medical Support	5,061.6	5,182.7	121.1	2.4%
7. Admin & Clerical	6,543.1	6,316.8	-226.3	-3.5%
8. Hotel Services	4,122.3	3,965.1	-157.2	-3.8%
9. Site Services	769.8	771.3	1.5	0.2%
Total	**31,134.3**	**31,381.2**	**246.9**	**0.8%**

Data source: HR Data Warehouse. Data extracted on 8th June 2010.
Totals may not add due to rounding.
See data notes for details of account code groupings.

Comments regarding Tables 1 to 3:
Historically FTE is lower in January as staff take leave.
The intake of nursing graduates occurs twice a year, once in the period February-March, and once in the period July-August.
The intake of medical graduates occurs once a year, and commenced in mid-January for 2010.

Data Notes regarding Tables 1 to 3:
1. FTE figures provided are based on Actual (Paid) month-to-date FTE.
2. FTE is calculated as the monthly Average FTE and is the average hours worked during a period of time divided by the Award Full Time Hours for the same period. Hours include ordinary time; overtime; all leave categories; public holidays, Time Off in Lieu, Workers Compensation.
3. FTE includes DoH staff and agency.
4. Health uses several different Account Group definitions to provide various views of the same data. Each of these is based on *financial* account codes. The view presented here is the Workforce Model Account Group (with Split), which is reported to DTF on a monthly basis and is defined as follows:
Nursing Agency refers only to agency nurses.
Nursing Staff includes nursing services, casual nurses, registered dental nurses, dental clinic assistants, enrolled nurses, enrolled mental health nurses and assistants in nursing.
Medical Salaried includes salaried medical officers, salaried medical practitioners, salaried radiology (medical imaging), salaried radiotherapy, salaried pathology, salaried dental officers and salaried other.
Medical Sessional includes sessional clinical, sessional radiology (medical imaging), sessional radiotherapy, sessional pathology, and sessional other.
Medical Agency includes agency medical salaried and agency medical sessional.
Medical support includes radiology (medical imaging), radiotherapy, pathology, dietitians, podiatry, chaplaincy, health promotions, rehabilitation assistance, other medical support services, dental technician, dental therapists, occupational therapy, pharmacy, physiotherapy, social work, technical, speech pathology, psychologists, other ancillary services and agency medical support services.
Admin & Clerical includes general admin & clerical, clinical admin support and agency admin & clerical.
Hotel services includes catering, catering services, orderlies & transport, patient support assistants, laundry & linen, stores & supply, home ancillary worker, agency hotel services.
Site services includes engineering maintenance services, grounds & gardens, security services, other categories, Aboriginal health workers, agency site services, agency other categories.



	Jul-08	Aug08	Sep08	Oct08	Nov08	Dec08	Jan09	Feb09	Mar09	Apr09	May09	Jun09	Jul09	Aug09	Sep09	Oct09	Nov09	Dec09	Jan10	Feb10	Mar10	Apr10	May10
Inpatients	40,465	39,375	39,174	41,764	37,836	39,159	37,428	37,542	40,302	37,470	39,191	39,096	41,221	40,825	41,737	41,741	41,047	39,948	36,051	37,275	43,053	41,084	40,300
Emergency Presentations	52,339	56,454	56,062	55,387	53,660	56,504	56,800	50,066	56,125	53,832	55,282	54,216	58,723	62,913	56,558	58,902	57,150	60,240	57,869	52,464	59,656	57,101	55,393
Outpatients	120,929	114,805	118,105	126,292	120,286	109,260	107,020	120,479	129,908	120,224	127,983	129,132	135,138	130,197	130,561	133,829	130,615	115,778	93,778	128,383	141,478	121,703	

Activity Data Notes - AEF May 2010 Report (10/06/10)

Inpatient Activity

Data sources: DOH morbidity dataset, extract date **08/06/2010;** TOPAS extracts, up to and including data extracted on **08/06/2010**. The two datasets are utilised to provide the estimates and where possible conform closely to the definitions prepared by WAHMIG for use on coded morbidity information. These definitions also conform closely to those developed for RAM in 2008/09.

A change in data mapping - Please note that W6B & 6BM are now mapped to Inpatients in both weighted and unweighted data.
The heading Activity Group has now been replaced with hospital name.

Current estimates will overstate HITH weighted/unweighted separations as the coded morbidity data joins HITH episodes together where an episode occurs both in the hospital and at home. Cancelled elective surgery (CES) cannot be identified using uncoded data, so the portion of activity in the table provided that is sourced from TOPAS data will include CES. Both these effects will diminish over the course of the financial year as the proportion of morbidity data used in the report increases.

ED Activity

Date source: Emergency Department Data Collection, IMR Directorate. Extract date: **08/06/2010.**
ED Presentation definition: an occasion of service where the patient is registered clerically (i.e., has a UMRN) and has been triaged, indicated by a code of 1,2,3,4 or 5. A presentation is a subset of 'attendance.'

Outpatient Activity

Includes medical and diagnostic, surgical, dental and allied health nursing and technical occasion of service types. **One month data lag**. Data source: HA215B database. Extract date: **08/06/2010.**
Mental health information will be sourced from PSOLIS information and will be available at a later date which has yet to be determined. Data reported for 2010 is provided up until May 2010 only.

Question No B16: Hon Ljiljanna Ravlich asks: How long do they wait for an appointment, on average, to access breast screening service? From the time a person applies to have a screen and the length of time it takes to get that screen. I want days, weeks, or years— whatever it is.

Answer: It is an accreditation requirement that greater than or equal to 90% of women attend a screening appointment within 28 calendar days of their booking date (fixed sites only).

For the past 3 months April - June 2010, 95% of women got an appointment within 28 days.

Question No B17: Hon Ken Travers asks: What other implications are there of keeping Royal Perth Hospital to services being provided across metropolitan or regional Western Australia? Why was the decision taken to keep the cardiothoracic service at Royal Perth and not move it to Joondalup?

Answer: Cardiothoracic services are no longer proposed to be delivered at Joondalup Health Campus (JHC) because given the projected level of demand for these services, there are only sufficient numbers to maintain safe and quality delivery at the three facilities, Fiona Stanley Hospital, Sir Charles Gairdner Hospital and Royal Perth Hospital.

A level 4 cardiothoracic service at JHC would only be able to be maintained as a visiting service from surgeons at SCGH. The projected volume at SCGH is insufficient to be able to split the service between two sites.

Bio Attachment.

HEALTH ACCOUNTING MANUAL

500 Requisitioning and Purchasing

Introduction

The Health Corporate Network (HCN) Supply directorate is responsible for all procurement of goods and services for WA metropolitan Health conducted under the auspices of the State Supply Commission Act. HCN Supply is also responsible for advising the WA Country Health Service (WACHS) on procurement policy and process as requested.

Overview

Metropolitan Health Entities utilise Oracle as its primary financial and accounting system. Purchasing for the Metropolitan Health Entities is managed via the Oracle purchasing module. WA Health uses two major types of requisitioning systems - paper based and iProcurement (electronic). Both types of requisition generate a purchase order created in Oracle. Both are receipted and paid in Oracle.

Parts of WA Country Health Service (WACHS) use HCARe Financials. Oracle Financials is currently being transitioned to WACHS. The use of iProcurement is encouraged for those WACHS transitioning to Oracle Financials.

Most Metropolitan Health Entites have implemented iPharmacy for requisitioning and purchasing for pharmacy items.Engineering requisitions are generated using EMPAC but purchase orders, receipting and payments are undertaken in Oracle.

The basic policies for purchases, which must be followed, are:

1. Purchases of under $5,000 per transaction for goods and services should be arranged through a Purchasing Card (PCard) wherever possible, otherwise normal procedures apply (see section 505 Purchasing Cards (P-Card) for further details).

2. Purchases over $5,000 should when not made by PCard, be directed through to HCN Supply in the case of Metropolitan Health Entities, or to the appropriate regional supply service in the case of WACHS

3. The policy and guidelines as set out by the State Supply Commission (SSC) and HCN Supply must be adhered to for all purchases.

All goods and services (including assets) are to be purchased by completing a requisition for processing through the various modules unless they are transactions allowable for execution using Petty Cash (section 601), P-Cards (section 505) , Fuel Cards (section 506) , Cabcharge Cards (section 507), taxi vouchers (section 507), or e-cab tickets (section 507).

Where a Whole of Government Common Use Arrangement, Whole of Health contract, or Health-specific agency contract has been established, the Health Entities must purchase against these contracts unless written approval to purchase outside the contract is obtained from the Director Supply, HCN. However, a number of Common Use Arrangements are only applicable to the metropolitan area and thus allow for purchasing from country based suppliers subject to the provisions of the WA Government Buy Local Policy. Advice should be sought from HCN Supply should there be any question over the applicability of contracts.

HEALTH ACCOUNTING MANUAL

501 Ordering of goods or services

Overview

Whenever goods or services are not procured with the PCard by authorised officers within the WA Health Entity, requisitions for goods and services (inclusive of GST) are to be approved by the authorised officer (see relevant Health entity's Delegation Schedules) and sent to HCN Supply (for Metropolitan Entities) or regional supply services (for WACHS). This may be done electronically through iProcurement or via a manual paper requisition depending on whether the Health Entity/area has access to iProcurement. The preferred method is via iProcurement.

iProcurement has been rolled out within all metropolitan Health Entities, and most WACHS sites, enabling iProcurement be used to the fullest extent possible for supply/ purchasing transactions entered into from 1 February 2010. There are circumstances where PCards are more cost effective and more appropriate to use. The use of PCards (refer to section 505 Purchasing Cards (PCards) is recommended in these circumstances.

The authorised officer must ensure sufficient funds are available to cover the cost of the purchase before approving the requisition. Requisitions and purchase orders are not required for purchases made on Petty Cash (section 601), P-Cards (section 505), Fuel Cards (section 506), Cabcharge Cards (section 507), taxi vouchers (section 507), or e-cab tickets (section 507).

All Health Entities are obliged to comply with State Supply Commission polices when undertaking a procurement process.

Health Entities must also abide by the State Government's Buy Local Policy and its addendum that covers the AUSFTA (Australia United States Free Trade Agreement) and ANZGPA (Australia New Zealand Government Procurement Agreement).

Payments to non government organisations for health and health related services must have purchase orders and where applicable, a Recipient Created Tax Invoice (RCTI) is to be generated prior to issuing the payment. WA Health must have a valid RCTI agreement with the supplier, before an RCTI is raised.

HCN will not accept paper based requisitions unless they have been appropriately signed and approved by a registered Authorising Officer for Paper Requisitions. More information is available in section 501.1 Authorising Officer for Paper Requisitions (from 1 February 2010).

Legislative/Policy Base

Financial Management Act 2006
A New Tax System (GST) Act of 1999
GSTR 2006/9 (ruling)
AUSFTA (Australia-United States Free Trade Agreement)
Guide to Tendering with Western Australian Public Authorities
Risk Assessment and Management-Managing Risks In Contracting
DTF Procurement Users' Guide
Buy Local Policy and addendums
New Guidelines by HCN for "Blanket Orders" for 2009/10
Guide to Tendering with Western Australian Public Authorities
HCN GST Policy on Supplier Invoices
TI 304 Authorisation of Payments

TI 308 Payment Records
Treasurer's Instruction 825 - Risk Management and Security
State Supply Commission Act 1991
State Supply Commissions Supply Policies
DTF Procurement Users' Guide
New Guidelines by HCN for "Blanket Orders" for 2009/10

Delegations
Refer to the Health Entity's Authorities, Delegations Schedules for the Health Entities concerned.

Policy

All purchases must be by an approved method.
The preferred method for raising a requisition is via iProcurement. A purchase order is to be raised for all purchases except for purchases made with Petty Cash (section 601), PCards (section 505), Fuel Cards (section 506), Cabcharge Cards (section 507), taxi vouchers (section 507), or e-cab tickets (section 507). The use of paper requisitions forwarded to HCN is to be limited (see section 501.1 Authorising Officer for Paper Requisitions (from 1 February 2010)).

All purchases must comply with Taxation Requirements (1700 Taxation).

Procedures
Detailed procedures on creating purchase requisitions and purchase orders are contained in the HCN Supply Policies and Procedures available on the HCN intranet site at http://hcn-intranet.hdwa.health.wa.gov.au/pls/portal..

Further information regarding the procurement process can be obtained from the DTF ***Procurement Practice Guide***, available here.

The Guide to Tendering with Western Australian Public Authorities, available here.

Agencies have specific obligations under the Treasurer's Instructions and State Supply Commission to carry out Risk Assessment and Management strategies. The ***Risk Assessment and Management-Managing Risks In Contracting*** can be found here.

The DTF site here provides a holistic view on templates, guidelines and conditions of contract.

HEALTH ACCOUNTING MANUAL

501.1 Paper Requisitions forwarded to HCN

Overview
Paper Requisitions are only to be used in extenuating circumstances.

Paper requisitions will not be accepted by HCN unless they have been signed by an officer identified on the Register of Authorising Officer for Paper Requisitions, held and maintained by HCN and matched to the Health Entities Delegation and Directions Schedule.

Legislative/Policy Base
Financial Management Act 2006
Operational Directive – Mandatory use of iProcurement by 1 February 2010

Delegations
Refer to the Health Entity's Authorities, Delegations Schedules for the Health Entities concerned.

Policy
Each Health Entity has provided HCN withappropriately approved Authorising Officers for Paper Requisitions forms .
Required criteria for Authorising Officers for Paper Requisitions forms:

- **Officer must be on the Health Entity Authorities, Delegations and Directions Schedule; and**
- **Form must be approved by the Chief Executive Officer of the Health Entity.**

HCN Supply must maintain a Register of Authorising Officers for Paper Requisitions based on appropriately approved Authorising Officers for Paper Requisitions forms. Entry of forms onto this register is subject to number of Authorising Officer restrictions per site (as listed below) and approval of each nominated officer by the HCN Director, Supply or HCN Director, Finance.
The total number of approved Authorising Officers for Paper Requisitions per site on the register will be strictly limited as follows:

Children and Adolescent Area Health Service	**3**	
Dental Health Services	**1**	
Department of Health	**1**	
Fiona Stanley (Southern Tertiary Hospital)	**2**	Allocated on total expenditure and adjusted for geographical and structural anomalies.
Health Corporate Network	**1**	
Health Information Network	**1**	
North Metropolitan Area Health Service	**12**	
PathWest	**1**	
Peel Health Campus	**1**	
Quadreplegic Centre	**1**	
QE II Medical Centre	**1**	
South Metropolitan Area Health Service	**16**	
WA Country Health Service	**8**	
Western Australian Alcohol and Drug Office	**1**	
Total	**50**	

Health Entities are responsible for providing updated details of Authorising Officers including updating specimen signatures to HCN Supply as required.

HCN will not accept paper based requisitions unless they have been appropriately signed and approved by a registered Authorising Officer for Paper Requisitions.
All inappropriately authorised requisitions will be returned un-actioned to the requisitioning officer.

Procedures

1. Authorising Officers for Paper Requisitions forms were completed at each Health Site and returned to HCN.
2. Health Entity management are responsible for ensuring that each Authorising Officer for Paper Requisitions form:
    - Only includes those Officers on the Health Entity Authorities, Delegations and Directions Schedule. It is suggested that only officers at a senior level with a high monetary value of authorisation in the Health Entity Authorities, Delegations and Directions Schedule be nominated to ensure appropriate authorisations.; and
    - Is approved by the Chief Executive Officer of the Health Entity.
3. HCN Supply:
    - must ensure that each Authorising Officer for Paper Requisitions form received is approved by the Chief Executive Officer of the Health Entity. If not approved, then return form to Health Entity. If appropriately approved, see next point.
    - will refer this form to the HCN Director, Supply or HCN Director, Finance to approve the nominated officer; If not approved, then return form to Health Entity. If approved, see next point.
    - to check that the total number of Authorised officers per site is within the limits as per policy. If not, then return form to Health Entity. If within limit, see next point.
    - update the register based on the appropriately approved Authorising Officers for Paper Requisitions form.
4. HCN Supply will update the register of Authorising Officers for Paper Requisitions upon receipt of updated details from Health Entities.
5. HCN will verify authorisation of ALL paper requisitions against the specimen signatures maintained on the register of Authorising Officers for Paper Requisitions. All inappropriately authorised requisitions will be returned un-actioned to the requisitioning officer.

502 Purchase of Goods and Services

Overview

The State Supply Commission (SSC) delegates its purchasing and contracting authority to Health Entities under the jurisdiction of the *State Supply Commission Act 1991 (Act).*

WA Health has been granted an exemption under the Act to conduct day to day purchasing of goods and services. The only limits applied to this exemption are:

- the DTF Health Cluster must be directly involved in procurement activities over $150,000 in value (excluding ICT projects)
- for ICT purchases above $20,000 and under $150,000, as a minimum, the DTF ICT Sourcing directorate is to review request documents prior to release and contract award recommendations prior to award. For contracts with an estimated value over $150,000, a procurement officer from DTF ICT Sourcing must review the tender request document prior to release, be a member of the tender evaluation panel, and review all contract award recommendations prior to contract award; and
- DTF regional buying centres remain available to assist regional Health staff for purchasing, and as a minimum should review request documents and award recommendations for purchasing valued above $20,000.

Health Entities must ensure that the "best value for money" outcome in the procurement of goods and services and that effective and open competition is achieved.

Value for money assessments must consider both non-cost and cost factors. The bidder should not be selected based solely on price. The lowest total-priced conforming offer may be used as an initial benchmark for comparing value for money.

Open and effective competition should maintain the transparency and integrity of government procurement and provides suppliers with fair and equitable access to government supply opportunities.

Buy Local Policy with its addendum should be adhered to. The State Government's Buy Local Policy aims to maximise supply opportunities for competitive local Western Australian businesses when bidding for government contracts. However, there are two agreements that affect the Buy Local Policy: the Australia United States Free Trade Agreement (AUSFTA); and Australia-New Zealand Government Procurement Agreement (ANZGPA). The adherence to these two should be practised for purchases and procurement.

Legislation/Policy Base

State Supply Commission Act 1991 (authority for State Supply Commission)
State Supply Commissions Supply Policies (framework of policies and guidelines)

In particular:
Open and Effective Competition Policy
General Conditions of Contract for the Supply of Goods and Services
Value for Money

Procurement Planning and Approval
Waivers of Supply Policy
Exemptions from Supply Policy
Common Use Arrangements
Financial Management Act 2006
A New Tax System (GST) Act of 1999
GSTR 2006/9 (ruling)
AUSFTA (Australia-United States Free Trade Agreement)
Australia New Zealand Government Procurement Agreement (ANZGPA)
Guide to Tendering with Western Australian Public Authorities
Risk Assessment and Management-Managing Risks In Contracting
HCN GST Policy on Supplier Invoices
TI 304 Authorisation of Payments
TI 308 Payment Records
Treasurer's Instruction 825 - Risk Management and Security
DTF Procurement Users' Guide
Agency Procurement Delegation and Exemption Matrices - including Exemption Registers
Buy Local Policy and addendums
New Guidelines by HCN for "Blanket Orders" for 2009/10
DTF Procurement Practice Guide
http://www.dtf.wa.gov.au/cms/uploadedFiles/purchasing.pdf

Full details of all current State Supply Commission policies are available at http://www.ssc.wa.gov.au/procurement02.asp

Policy

The following table sets out minimum requirements for the procurement method, depending on which monetary threshold the total estimated price of that procurement falls into:

Monetary Threshold	Minimum Requirements
Up to $5,000 (GST incl)	Direct purchase. Purchase Requisition and Purchase Order is required unless good /services paid with PCard.
$5,001- $20,000 (GST incl)	Request sufficient number of verbal quotations. Purchase Requisition and Purchase Order is required.
$20,001 - $150,000 (GST incl)	Request sufficient number of written quotations using Request for Quotation (RFQ) template. Purchase Requisition and Purchase Order is required.
above $150,000	Publicly advertised tender. Purchase Requisition and Purchase Order is required.

This table is based on thresholds established on 01 January 2008

Appendix WACHS procurement processing provides a detailed explanation of procurement responsibilities within the WACHS regions.

Goods and services valued at up to the total cost of $5,000 do not require the conduct of a competitive process, although one verbal or written quote should be obtained, and the purchase must represent value for money.

Procurement of goods and services valued between $5,001 and $20,000 requires a sufficient number of verbal quotations. As a general rule, between 2-5 quotations should be sought. However, depending on the nature of the purchase and the size of the market, more quotes may be sought. Verbal quotes must be documented and retained to support the purchase.

Procurement of goods and services valued between $20,001 and $149,999 requires a sufficient number of written quotations. Again this is usually between 2-5 quotes, depending on the market. Quotes are to be obtained using the Request for Quotation template which contains the State Government standard terms and conditions. The quotation process is managed by HCN Supply or Regional Buying Centres.

Procurement of goods and services valued at $150,000 and above require a publicly advertised tender, which is managed by DTF (Health Cluster, ICT Sourcing or Regional Buying Centres).

Buy Local Policy

Buy Local Policy with its addendum should be adhered to. The State Government's Buy Local Policy aims to maximise supply opportunities for competitive local Western Australian businesses when bidding for government contracts. Public authorities are required to evaluate all quotations and tenders with the intent of achieving a value for money outcome for government.

The two agreements that affect the Buy Local Policy are the Australia United States Free Trade Agreement (AUSFTA); and Australia-New Zealand Government Procurement Agreement (ANZGPA).
While using Procurement, the AUSFTA should also be adhered to. The AUSFTA only applies to:

- The procurement of products and/or services equal to or above $AU 679,000 (total contract price including the value of any options and GST); and
- Construction contracts equal to or above $AU 9,570,000 (total contract price including the value of any options and GST).

The Governing principle is that public authorities must **not** treat a locally established supplier more favourably than other suppliers on the basis of degree of foreign affiliation or ownership; or seek, take into account, impose, or enforce offsets such as pre-qualification criteria, evaluation criteria or contract award not applicable to all suppliers. This is only if the amount exceeds the above mentioned thresholds.

The ANZGPA states that, when a bid is received from a business that is located in another state or territory of Australia, or in New Zealand under the ANZGPA:

- the local content weighted selection criterion must not be evaluated during the qualitative assessment;
- the regional business preference and the regional content preference must not be applied.

Exemption Matrices and Registers

The Director HCN Supply is to maintain an *Agency Procurement Delegation and Exemption Matrices - including Exemption Registers.* The templates can be found here. These registers are part of the agency meet their obligations relating to delegations and recording exemptions.

Guidelines

Detailed guidelines associated with procurement of goods and services are outlined in the ***Procurement Practice Guide*** produced by DTF. This publication is available online at http://www.dtf.wa.gov.au/cms/uploadedFiles/purchasing.pdf and is applicable to all methods of procurement, including e-commerce. In the event of any inconsistency between this Guide and SSC supply policies, compliance with the policies takes precedence.

General procedures to be followed vary dependant upon the value of the purchase. Reference should always been made to the DTF ***Procurement Practice Guide*** when planning the procurement of goods and services.

Exemptions from State Supply Commission Policy

With effect from 01 Jan 08 State Supply Commission (SSC) policies were amended to pass authority for granting exemptions and waivers of policy requirements from the Supply Commission to the Accountable Authority of each government agency. This authority as the Accountable Authority for Health with respect to SSC policy has been delegated to the Director, Supply HCN.
Public authorities are required to maintain a register that records all instances where an exemption from an open tender process (for purchases over $150,000) has been granted by the Accountable Authority.
Public authorities must obtain approval from the Department of Treasury and Finance (DTF) if seeking an exemption to buying through a Common Use Arrangement (CUA).
Some exemptions may not be available under the AUSFTA obligations and reference should be made to the AUSFTA policy before proceeding with covered procurements.
Examples of potential grounds for waivers and exemptions are contained in the Open and effective Competition Policy section of the SSC website.

All requests for an exemption or waiver from Supply Commission policy, whether prepared by, or on behalf of any agency within Health, are to be passed to the Director, Supply HCN for approval. Such submissions are also to be accompanied by an endorsement (or otherwise) from the relevant DTF directorate.

Exemptions from Competitive Requirements

HCN is not required to comply with the minimum competitive requirements for a procurement where the HCN considers that exceptional circumstances exist for that procurement and justification for that decision is documented.

Exceptional circumstances may include, but are not limited to the following:

- There is a bona fide sole source of supply.
- A public authority has awarded a contract for a similar requirement through a competitive process within the previous 12 months and there is a reasonable expectation that the market has not changed.

- A public authority requires the use of goods and services from a particular supplier that must be integrated within an existing contractual arrangement, project or ICT standard operating environment and an alternative product is not suitable.

In the event of an emergency situation, HCN will be exempt from the quotation and open tender processes.

Where the total estimated price of the proposed procurement exceeds the covered procurement threshold under the Australia-United States Free Trade Agreement (AUSFTA), the grounds for exemption from the open tender process, outlined above, may not be applicable. This is due to the requirements of selective and limited tendering processes included in the government procurement chapter of the AUSFTA.
The AUSFTA thresholds apply to:

- The procurement of products and/or services equal to or above $AU 679,000 (total contract price including the value of any options and GST); and
- Construction contracts equal to or above $AU 9,570,000 (total contract price including the value of any options and GST).

HCN should obtain advice from the Department of Treasury and Finance, Government Procurement, prior to proceeding with an exemption from open tender, particularly where the estimated price exceeds the covered procurement threshold.

Agency Procurement Delegation and Exemption Matrices - including Exemption Registers

The State Supply Commission (SSC) introduced new supply policies and revised the Partial Exemptions for agencies on 1 January 2008. This was done in conjunction with Department of Treasury and Finance, that provided the templates for exemption registrars.

Under the new provisions for Partial Exemptions, agencies are required to maintain a schedule of all positions with delegated authority from the Accountable Authority to act on behalf of the agency in its procurement activities. In summary these should include;

1. *Procurement Delegation Schedule* - This is a Schedule of all positions with Delegated Authority to act on behalf of the CEO in relation to a range of procurement matters.
2. *Delegation Exemption from SSC Policy* – This records the position with Delegated Authority from the CEO to approve exemptions from supply policies (usually the Chief Procurement Officer) and;
3. *Agency Exemption Register* - This is a register of all the approved exemptions from following SSC policies (usually maintained by the CPO).

The templates and explanation notes outlined below have been drafted in consultation with the SSC to assist agencies meet their obligations relating to delegations and recording exemptions.

Templates

Accountable Authority Procurement Delegation Schedule

Accountable Authority SSC Policy Delegation Schedule

Agency SSC Policy Exemption Register and Notes

More information can be found on:

SSC website, click here.

DTF website, click here.

All requests for exemptions are to be submitted on the proforma available at the HCN Supply intranet site. The same rigour as may have been applied in the past by the SSC will be applied to all requests from within Health.

Requests for exemption from Government Common Use Arrangements (CUAs) can only be approved by DTF. Requests for such exemptions are to be passed via Director Supply HCN.

Details of procurement conducted under the emergency provisions of State Supply Commission policy must be advised to the Director Supply HCN as soon as possible.

Health Supply Council & Health Supply Contracts Committee

All goods and services contracts raised by, or on behalf of Health, depending on their value, are to be passed via one of two internal Health Committees for endorsement prior to final approval. The Health Supply Council (HSC) reviews Procurement Plans and Evaluation Reports for contracts valued at >$3M. A sub committee of the Council, the Health Supply Contracts Committee (HSCC) reviews Procurement Plans and Evaluation Reports for contracts from $150K up to $3M.

The HSC comprises representatives from the Area Health Services, DoH and WACHS, as well as HCN Supply and DTF staff. The HSCC is comprised of HCN Supply, DoH and DTF Health Cluster staff. The Director Supply, HCN, chairs both the HSC and the HSCC.

The HSC and the HSCC provide a final internal review of contracts before they are signed or passed outside of Health for endorsement and have proven to be an effective and efficient method of ensuring that Health's procurement practices and procedures are above reproach.

The Assistant Director, DTF Health Cluster, acts at the Executive Officer for these groups. Queries should be directed to that office in the first instance or to the Director Supply.

State Tender Review Committee

Prior to 1 Jan 08 both the DTF Tender Review Committee and the State Supply Commission's (SSC), State Tenders Committee, also exercised a review process over Government contracts. With the amendment of a variety of SSC policies at the

beginning of 2008, both these committees were abolished however and more responsibility for procurement decisions was placed on the Accountable Authority of an agency.

To assist and advise Accountable Authorities, a State Tender Review Committee (STRC) was established to endorse and / or make recommendations with respect to Procurement Plans valued at >$5M and contract award recommendations valued at >$1M. The STRC is an advisory committee only. Accountability and responsibility for procurement decisions remains with the Accountable Authority whatever the decision of the STRC.

Current membership of the STRC comprises four independent Government agency members, as well as a number of senior officers from DTF.

Despite its purely advisory nature, the STRC does provide a final review mechanism to ensure that all WA Government procurement is conducted according to SSC policy and is in the best interests of the State.

All Health staff are to ensure that sufficient time (normally 10 days) is provided in their procurement schedules to permit review of contracts by the STRC in its regular weekly agenda.

Comments / recommendations made by the STRC are to be considered and incorporated in the relevant plans or reports prior to final approval. Deviation from recommendations of the STRC is to be endorsed by the Director, Supply HCN prior to approval.

Final Health Review of Procurement

In order to ensure that correct processes are followed at all times and probity is maintained in all Health procurement under the State Supply Commission Act, no procurement advice or documents are to be passed to the Director General's office for approval or signature without prior endorsement from the Director, Supply HCN.

New iProcurement Rules

From 1 February 2010:

- paper requisitions will not be accepted by HCN unless they have been signed by officers identified on the Health Entity Authorities, Delegations and Directions Schedule at the Executive Director level or equivalent. .
- To ensure compliance with mandatory Government requirements (TI 304 (5)) in relation to the authorising of payments for goods and services, HCN will not accept paper based requisitions unless they have been appropriately signed and approved by a registered Authorising Officer for Paper Requisitions. To implement this, a Register of Authorising Officers For Paper Requisitions will be maintained by HCN Consequently, inappropriately authorised requisitions will be returned un-actioned to the requisitioning officer; and
- Use of paper requisitions is to be restricted to extenuating circumstances

Ensure all details of the appropriately authorised and correctly completed forms/ templates returned to HCN by 1 November 2009 and have been updated and are operational within iProcurement.

Refer to the **Operational Directive 0220/09** released in September 2009, for more information.

iProcurement Contacts

The **primary contact** point for support on using iProcurement is:
Email: "HCN Applications Support Supply"
<HCN.ApplicationsSupply@health.wa.gov.au>
Phone: 1300 657 426 > option 2 > option 4

Additional iProcurement contacts are available by clicking here.

Processing of Health Procurement Submissions by WACHS Regions (under the State Supply Commission Act 1991)

	Topic	Regional Health Responsibility	DTF Responsibility	HCN Responsibility
1	Purchase of **non-medical** goods and services valued below $20K	Regional supply staff procure non medical goods and services under State Supply Commission policies as required within approved health delegations.	Regional Buying Centre (RBC) available for advice and assistance as required	HCN Supply available for advice and assistance as required.
2	Purchase of **non-medical** goods and services (excluding ICT) valued $20K - $150K	Regional supply staff procure non medical goods and services under State Supply Commission policies as required within approved health delegations.	RBC staff are available to manage the procurement process (through competitive quotations), however, as a minimum, they must review Request documents and contract award recommendations.	HCN Supply available for advice and assistance as required.
3	Purchase of **ICT** related goods and services valued $20K - $150K	Regional supply staff process ICT related goods and services procurement under State Supply Commission policies as required within approved health delegations. Regional supply staff responsible for ensuring procurement is approved by Health ICT prior to purchase or award.	DTF ICT Sourcing directorate should review Request documents prior to release and contract award documents prior to contract award.	HCN Supply available for advice and assistance as required..

	Topic	Regional Health Responsibility	DTF Responsibility	HCN Responsibility
4	Purchase of **non-medical** goods and services (excluding ICT) valued at >$150K	Regional supply staff procure non medical goods and services under State Supply Commission policies as required with approved health delegations.	RBC staff are available to manage the procurement process (through a competitive tender), however, as a minimum, RBC staff must review Request document prior to release, be a member of the tender evaluation panel and review all contract award documents prior to contract award. RBC staff ensure that evaluation reports for procurements >$1M and procurement plans >$5M are submitted to the State Tenders Review Committee (STRC) following endorsement by the HSCC / HSC.	Health Supply Contracts Committee (HSCC) endorsement required for evaluation reports for procurements between $150K - $3M. Health Supply Council Committee (HSC) endorsement required for evaluation reports for procurements >$3M and procurement plans >$5m.

	Topic	Regional Health Responsibility	DTF Responsibility	HCN Responsibility
5	Purchase of **ICT** related goods and services valued > $150K	Regional supply staff process ICT related goods and services procurement under State Supply Commission policies as required within approved health delegations. Requesting staff responsible for ensuring procurement is approved by Health ICT prior to purchase or award. Information to be supplied to regional supply	DTF ICT Sourcing are available to manage the procurement process (through a competitive tender), however as a minimum must review Request document prior to release, be a member of the tender evaluation panel and review all contract award documents prior to contract award. DTF ICT Sourcing ensure that evaluation reports for procurements >$1M and procurement plans >$5M are submitted to the STRC following endorsement by the HSCC / HSC.	HSCC endorsement required for evaluation reports for procurements between $150K - $3M. HSC endorsement required for evaluation reports for procurements >$3M and procurement plans >$5m.
6	Purchase of **medical** goods and services (excluding ICT) valued at $20K - $150K	Regional contracting/supply staff provide advice of requirements to HCN Supply as required. Regional staff purchase against contacts awarded.		HCN Supply manage procurement process (through competitive quotations).

	Topic	Regional Health Responsibility	DTF Responsibility	HCN Responsibility
7	Purchase of **medical** goods and services (excluding ICT) valued at >$150K	Regional contracting/supply staff provide advice of requirements to DTF Health Cluster as required. Regional supply staff purchase against contracts awarded.	DTF Health Cluster manage procurement process (through a competitive tender). DTF Health Cluster ensure that evaluation reports for procurements >$1M and procurement plans >$5m are submitted to STRC following endorsement by HSCC / HSC. NOTE: Some less complex medical purchases may be able to be managed by RBCs, but this process will be managed on a case by case basis with consultation between HCN, the DTF Health Cluster, the RBC and the regional staff concerned.	HSCC endorsement required for evaluation reports for procurements between $150K - $3M. HSC endorsement required for evaluation reports for procurements >$3M and procurement plans >$5m.
8	Exemptions / Waivers from State Supply Commission policies in relation to purchases of **non-medical** goods and services	Regional contracting/ supply staff responsible for preparing exemption / waiver requests and referring to Director Supply HCN for consideration, together with DTF RBC supporting advice.	RBCs provide advice as required to exemption / waiver requests prepared by regional Health services. RBCs provide advice to regional Health services on their support for exemption / waiver requests.	Director Supply HCN authorises exemptions / waivers as appropriate.

	Topic	Regional Health Responsibility	DTF Responsibility	HCN Responsibility
9	Exemptions / Waivers from State Supply Commission policies in relation to purchases of **medical** goods and services	Regional contracting / supply staff responsible for preparing exemption / waiver requests and referring to Director Supply HCN for consideration, together with supporting HCN Supply / DTF Health Cluster advice.	For exemption / waivers valued >$150K, DTF Health Cluster provides advice as required on exemption / waiver requests prepared by regional Health services. DTF Health Cluster provides advice to regional Health services on its support for exemption / waiver requests. Director Supply HCN authorises exemptions / waivers as appropriate.	For exemption / waivers valued $20K - $150K, HCN Supply provides advice as required on exemption / waiver requests prepared by regional Health services Director Supply HCN authorises exemptions / waivers as appropriate.

503 Receiving Goods and Services

Overview
The accurate receipting of all goods and services is essential for the completion of the payment process in Oracle/HCARe.

Legislation/Policy Base
TI 304 Authorisation of Payments

Policy
Treasurer's Instruction 304 (5iii a) states that before authorising a payment or transfer, the certifying officer must ensure that money is lawfully available for the payment of that account and be satisfied that goods have been satisfactorily supplied or services have been satisfactorily performed, except where payment in advance is required as a condition of purchase.

Part of the receipting in receiving goods or services is to ensure that the product meets specifications, is not damaged, that the correct amount has been received, or the service has been performed satisfactorily. When these conditions are satisfied, the account is ready for approval and payment.

Health Entity staff must ensure that all invoices are approved and passed to HCN in a timely manner to allow processing and payment within Government payment terms.

Procedures
With the exception of purchases from Petty Cash (section 601), P-Cards (section 505), Fuel Cards (section 506), Cabcharge Cards (section 507), taxi vouchers (section 507), or e-cab tickets (section 507). all purchases require a purchase order to be raised in Oracle or any other applicable system.

In order to be paid, goods or services received, must be receipted against the purchase order in Oracle or any other applicable system. Only authorised relevant officers receipt goods and services delivery in iProcurement if requisitions are raised in iProcurement. Any other deliveries of purchases are to be receipted directly by relevant officers in Oracle..

Please note, it is encouraged that all purchases be made using either iProcurement or PCard..

504 Grants, Service Agreements and Contracts for health or health related services provided by Non Government Organisations

Overview

WA Health provides funding for, or purchases health or health related services from non government agencies (NGO). These services are funded either by the State, Commonwealth or through Programs that have matched Commonwealth and State funding.

Depending on the nature and size of services being purchased, different processes apply to the negotiation, contracting and management of these arrangements.

In general, a "Restrictive Process" applies to an arrangement whereby DOH on behalf of WA Health purchases services for its own benefit or negotiates with an Organisation to provide a service to a third party to whom WA Health has undertaken to provide a service. The "Restricted Process" is exempt from the public tender process.

Legislation/Policy Base

Financial Management Act 2006
State Supply Commission Act 1991
A New Tax System (GST) Act of 1999
GSTR 2006/9 (ruling)
HCN GST Policy on Supplier Invoices
TI 304 Authorisation of Payments
TI 308 Payment Records
State Supply Commissions Supply Policies
Procurement Users' Guide

Targeted Purchasing: A Framework for Non-Government Organisations 2008-2011: Guide to navigating National and State health priorities and targets. Health Policy & Clinical Reform Division and Statewide Contracting Branch May 2008. Click here for link. The Framework does not override current WA Health service procurement policies with respect to grants, restricted and preferred providers, and tender processes. The Framework also recognises that much of WA Health procurement is through targeted investment.

Funding and Purchasing Community Services. A policy statement on Fresh Approach to Funding and Purchasing Relationships with Non-For-Profit Sector (2002) State Supply Commission and Department of Premier and Cabinet.

Standardised Grant Documentation and Associated Guidelines, January 2005. Click here for the documents.

The WA Health Operational Plan for 2009-10. This mandates that each network develop a Model of Care in their area. It also sets out the key initiatives to be achieved in meeting the 6 strategic directions set out by Department of Health. Click here for more information.

DOH Processes for Initiating, Negotiating and Managing Non Government Organisation (NGO) Grants, Service Agreements and Contracts. May 2004.
http://intranet.health.wa.gov.au/HSS/divisions/docs/sc/DOH_NGO_Policy.pdf

DOH Contract Management Business Rules. Statewide Contract Management

Funding and Purchasing Community Services
http://intranet.health.wa.gov.au/HSS/divisions/docs/sc/DOH_NGO_Policy.pdf

Policy
Distribution of State, Commonwealth or industry funds available for purchase of health or health related services may be in the form of a Grant, a payment for Services under a Service Agreement or a payment for service under a Legal Contract following a formal tendering process.

The processes of initiating, negotiating and managing Grants, Service Agreements, and Contracts must comply with the Government policy "Funding and Purchasing Community Services".

Grants are financial assistance arrangements made for specified purposes. They are generally provided to organisations to help them carry out their established purpose or for specific programs, and may contain conditions relating to the organisation's conduct or activities. Grants are appropriate where:

- an organisation requires one-off subsidies, top-ups, seed funding, or funding for discrete projects, or
- innovative trials, pilot programs or research of a non-commercial nature; and
- the grant is for a discrete period; and
- the grant amount does not constitute the entire financial base of an Organisation.

Public Authorities intending to provide Grants for Community-Based Services to any organisation are required to comply with the terms of the Policy and use the standardised grant documentation in the manner outlined in this Buyer Alert on the State Supply Commission website on www.ssc.wa.gov.au
Grants should be provided using the Standardised Grant documentation.
There are two (2) separate grant documents have been developed, and each should be used for their specific purpose. These are:
• A standard Grant Agreement to be used as the template for all grants valued at $10,000 or more; and
• A List of Grant Conditions drafted in "plain English", which may be used for smaller and less complex grants valued at below $10,000
For more complex or unique funding arrangements below the $10,000 threshold, a Public Authority should consider utilising a Grant Agreement to ensure appropriate risk management.
The Standardised Grant document can be found by clicking here.

Any type of multi-year service provision provided by non government Service Providers must be managed contractually through a Service Agreement or a Legal Contract. Ongoing service provided through a series of recurring Grants must be managed contractually through a Service Agreement.

Service Agreements, within the context of the Government policy on Funding and Purchasing Community Services, means an agreement for the purchase of community based services.

Contracts cover the range of Agreements or Contracts that do not fall into the categories of Grants or Service Agreements. In general where an agreement includes factors of high complexity, high cost/funding levels and/or the For-Profit-

Sector it is appropriate to utilise a contract shell of a more formal or legal nature. The structure/composition of such a contract must be prepared by DoH Legal Services and/or the State Solicitors' Office.

The processes for the provision of funding under the above arrangements must ensure transparency and accountability, but does not necessary involve testing of the market or competitive tendering as for other types of purchases.

Signatories to any agreements or contracts must be in accordance with the Delegation of Authority corresponding with a particular value of the agreement or the contract.

Procedures

Whenever there is a business need to procure health and health related services from the non government sector, DoH's policy on initiating, negotiating and managing the procurement process must be followed.

Detailed steps in service procurement planning and service agreement/contract formation can be obtained from:
http://intranet.health.wa.gov.au/HSS/divisions/docs/sc/DOH_NGO_Policy.pdfare.
Processes for Initiating, Negotiating and Managing Non Government Organisation (NGO) Grants, Service Agreements and Contracts, May 2004.

In general, the procurement planning stage must identify the need for the provision of a health or health related service through the development of a procurement strategy. At this stage the decision on whether to proceed using either a Grant Shell, Service Agreement or Tendering for a Legal Contract must be made. This decision determines further steps associated with the process of procurement including the Restricted Process of negotiations with the current service providers.

After a Service Agreement or a Contract between DoH and the service provider is signed:

- All Service Agreements and Contracts must be registered on the Contract Administration System (CAS)
- A Purchase Requisition (through iProcurement) is to be raised and forwarded to HCN Accounts for raising a Purchase Order Number in Oracle.
- Contract Manager/Grant Coordinator who receives Tax Invoices from the NGO service providers, validates, approves and forwards it for payment to HCN Accounts Payable Supply for payment.
- Where an NGO service provider has a valid, authorised Recipient Created Tax Invoice Agreement (RCTI) with WA Health, the Contract Manager sends to HCN Accounts Payable Supply a batch request and HCN Accounts Payable Supply issues the RCTIs and payments.

- NOTE: A written agreement, signed by both parties, must be entered into with the grantee/service provider for the DOH to issue a Recipient Created Tax Invoice at the time of payment. DOH will then claim an input tax credit from the Australian Taxation Office for the GST paid to the service provider. Refer to ATO's requirements of a tax invoice.

505 Purchasing Cards (PCard)

Overview

The use of the **Purchasing Cards** (PCards) is WA Health's preferred method of purchasing and paying for general purpose low value (i.e. under $5,000) goods and services in circumstances where:

- the purchase of that category of goods and services is authorised; and
- this method of acquisition is more cost effective than the utilisation of the Supply System processes.

Certain categories of goods and services are not authorised for purchase by PCards. Clearly, any purchases of a private nature and/or of a non-Health Entity business nature are not authorised. A full listing of the categories of items not authorised is outlined in the policy statement below.

PCards generally do not have cash advances or overseas bank draft facilities. However, in certain limited situations, cash facilities may be approved at the discretion of the Director General.

PCards are issued to and are the responsibility of individual staff members, upon approval of their entity's Finance Director and subject to:

- the financial limits imposed by Financial Authorisation Policy of that **Health Entity**; and
- any additional special authorisations, conditions or restrictions imposed by the Finance Director. For instance, financial limitations will be specified for each card as to the:
    - individual transaction line limit (i.e. financial amount per individual transaction line); and
    - total credit limit.

PCard users should be scrupulous in their use of public finances and follow the guidelines for expenditure on official hospitality consistent with the responsibilities of a public officer.

Card holders are required to:

- comply with normal State Supply Commission (SSC) policies on purchasing;
- comply with Guidelines for Expenditure on Official Hospitality, issued by the Public Sector Commissioner's Circular number 2009-18.
- utilise, and comply with the buying rules of, agency specific contracts, whole of Health contracts, and whole of Government common use agreements;
- safeguard the PCard and any associated PIN numbers;
- follow other security instructions issued by the PCard provider;
- obtain, retain, and file for audit purposes, copies of invoices and supporting documentation relevant to the purchase of goods and services; and
- code all purchase transactions before the 10TH day of the following month to:
    - the appropriate expenditure account classification; and

  - the relevant cost centre available for each card holder in FlexiPurchase system.
- arrange for a representative to complete their coding during extended periods of leave.

Once transactions are coded by the card holder they are automatically available for on-line review and authorisation by the nominated authorised Approving Officer. These detailed accounting transactions are then reflected within the accounts of the **Health Entity** in the month following the month of purchase (i.e. the next month).

The PCard system provides an automatic email notification process where overdue or outstanding coding and/or approvals exist.

Legislative/Policy Base

Financial Management Act 2006.

A New Tax System (GST) Act of 1999.

GSTR 2006/9 (ruling).

TI 321 Purchasing Cards.

TI 308 Payment Records.

State Supply Commission Policies.

DTF Purchasing Card Policy.

HCN GST Policy on Supplier Invoices.

Guidelines for Expenditure on Official Hospitality: Public Sector Commissioner's Circular number 2009-18

Policy

The use of the **Purchasing Cards** (PCards) is WA Health's preferred method of purchasing and paying for general purpose low value (i.e. under $5,000) where:

- the purchase of that category of goods and services is authorised;
- this method of acquisition is more cost effective than the utilisation of the Supply System processes; and
- the transaction is in accordance with the card holder's personal authorisation in terms of categories of items purchased, financial limits and cost centre permissions.

General Requirements

- PCards are only issued to individual officers. They remain the personal responsibility of that officer and are not transferable. A PCard issued to one officer is neither to be used nor loaned to another officer.
- Strict care over the safe-keeping, custody and use of the Purchasing Card will be taken at all times.
- On resignation HCN must be advised in order that the PCard is cancelled. As part of the entities termination process, the Cardholder will pass their PCard to their Approving Officer who is responsible for destroying the PCard.
- On transferring to a different area of responsibility where a card is also required. The Cardholders Manager prior to transfer must contact HCN in order that adjustments can be made to the entity account name, charge

codes and Approving Officer in Flexipurchase, There is no requirement to cancel the card and issue another one.

- The HCN PCard Administrator must also ensure that all the transactions are settled.
- The Approving Officer must ensure the cardholder has complied with the policies and procedures of the PCard use for all purchases.
- The card holder initiating payment via the PCard must have personal knowledge of the valid receipt of the relevant goods or service.
- Responsibility for the appropriate use of the PCard [including: appropriate receipts/tax invoices and custody of goods or service, speedy reconciliation of transactions and safe custody and filing of supporting documentation (for audit purposes)] **remains with the nominated card holder** (despite any local arrangements in place). These receipts/tax invoices will **not** be sent the HCN and will be kept by the Cardholder for audit purposes.
- Coding of transactions should be undertaken by the card holder. However, local variations to this arrangement may be authorised by the Finance Director, where cost effective.
- The task of approving of transactions must be undertaken by the designated Approving Officer as authorised by the Finance Director of that **Health Entity**.
- The due date for reconciliations is to be completed in Flexipurchase by the 10th of each month.
- All purchases must be coded, reconciled, supported by appropriate documentation, and approved using the online FlexiPurchase system before the 10th day of each month. Purchases that are NOT coded and approved by the 10th of each month may result in the PCard being suspended.
- Purchases in the NAB Flexipurchase are available for coding 48 hours after the purchase has been made.
- The NAB direct debits the bank accounts on the 29th of each month.
- Card holders have the responsibility to take action in respect to any disputed items or inappropriate amounts charged on the FlexiPurchase system. The PCard process assumes automatic payment by WA Health of all items on the Flexi Purchase system including disputed transactions.
- Purchase Orders must not be raised for any purchase of goods or services acquired using a PCard (as this may inadvertently lead to a dual payment).
- All purchases must comply with State Supply Commission policies.
- All purchases must use, and comply with the buying rules of, agency specific contracts; whole of Health contracts, and whole of Government common use arrangements as applicable.
- All hospitality expenditures must comply with the Guidelines for expenditure on Official Hospitality, Public Sector Commissioner's Circular 2009-18. In response to this, an Operational Directive was issued. The Operational Directive no.OD0016/06 can be found here. http://intranet.health.wa.gov.au/circularsnew/pdfs/12217.pdf
- Any wilful misuse of the PCard may result in it being withdrawn and disciplinary action may be instigated under the Financial Management Act 2006, section 321 of the Treasurer's Instructions.

General Restrictions on PCards Usage

The PCard **must not be used** under any circumstances for:

- Purchase of items of personal, private and/or non business nature.
- Personal benefits, including participation in incentive schemes such as Frequent Flyers or Airline Membership Programmes.
- Purchase of assets.
- Unless specifically authorised by the Finance Director, purchase or payment for:
    - Items over $5,000;
    - medical items or drugs;
    - airline tickets - (instead the Common Use Agreement supplier Carlson and Wagonlit Travel will be used for air travel purchases);
    - fuel or other items for Government vehicles where other payment options (such as the fuel card) exist- (fuel can only be purchased by the PCard in emergency situations, in such a situation, the purchase must be authorised by the Head of Department);
    - Entertainment Expenses (unless authorised by the Head of Department);
    - financial leases;
    - IT (i.e. computer) or telecommunications equipment; and,
    - items requiring checking by Biomedical Engineering.
- Cash advances or overseas bank draft facilities (unless in accordance with the written authorisation of the Director General).
- Purchases and/or payments to a supplier who does not have a valid ABN (unless special arrangements are in place to withhold the appropriate level of tax).
- Splitting invoices to circumvent financial authorisation limits.
- Occasions where goods are to be delivered to major hospital delivery points and/or for those items which are normally purchased through the Oracle system, and which require tracing progress with requisition, purchase order and payment in the Oracle system.
- Occasions where the card holder does not have personal knowledge of the valid receipt of the goods or service.

Usage of PCard (in excess of $5,000 per transaction)

There are a limited range of circumstances where a card holder may be authorised to use their PCard for financial transactions of a specialised nature in excess of $5,000 per transaction. The Finance Director must give specific written authorisation to the card holder authorising such specialised transactions. Examples include:

- Purchase of library books and magazines including overseas publications (Librarians).
- Travel and accommodation (eg Travel Coordinators or Patient Transport Officers).
- Overseas purchases of goods when prompt payment for urgent medical items is required.
- Training course registration fees.

- Telephone (for calls and rentals) and utility accounts.
- Purchases from suppliers, where payment with the PCard was a contractual agreement.

Approving Officer

The Approving Officer is:

- Generally the direct manager of the cardholder. Card holders who act in the Approving Officer role on higher duties cannot under any circumstances approve their own purchases.
- Responsible for approving all transactions undertaken by the cardholder by the 10th of the month following transactions. This approval signifies assurance that:
    - the description of goods and services purchased is of an acceptable level to enable quality reporting on the purchase to take place;
    - the transaction was for business use; and
    - the appropriate cost centre and account code is charged.
- Responsible for ensuring that all required financial coding is up to date irrespective of the circumstances within their area of responsibility.
- Responsible for notifying the HCN PCard Administrator when the cardholder ceases, transfers or terminates employment.
- Responsible for providing formal notification to the HCN PCard Administrator of the alternative Approving Officer that will undertake the Approving function during extended periods of leave.

Authorisation – Finance Director

The Finance Director at each **Health Entity** shall (subject to the Financial Authorisation Policy of that **Health Entity** and this overall policy):

- Determine the extent to which the PCards are to be utilised within their area of responsibility.
- For each potential card holder:
    - Approve the application for a PCard;
    - authorise the financial limits;
    - specify the categories of items permitted to be purchased;
    - identify cost centres that may be charged;
    - the default cost centre to be initially charged if purchases are not coded;
    - nominate any special categories of transactions where amounts in excess of $5,000 per transaction are authorised; and
    - Nominate the authorised Approving Officer (i.e. the person who reviews and approves transactions on that PCard) for each card issued.

Administrative Responsibilities

- The HCN PCard Administrator is responsible for the overall effective day to day operation of the PCard processes, and the maintenance of the PCard Register; the Register of PCard Holders should include:

  - the card holder's name and HE Number;
  - position title at time of issuance of card;
  - site location & department
  - financial limits authorised for that card;
  - card number
  - expiry date
  - date of issuance of the card;
  - Approving Officers.
- HCN Purchasing will assist Finance Directors in determining categories of items available for purchase by PCard, and be available to assist card holders with advice on accessing Health Contracts, Common Use Agreements, and associated buying rules.
- HCN Supply will assist the **Health Entity's** management through the regular monitoring of PCard expenditure, usage trends and policy adherence and the reporting of results to the Procurement Reform Advisory Group.
- The HCN PCard Administrator may cancel a PCard without notice for breaches of this policy or associated processing requirements.

Procedures

Card Issue

Each new applicant must complete a **PCard Application Form** and arrange for authorisation by their Finance Director. When the Finance Director is the applicant, the application form must be authorised by the entity's Chief Executive. Similarly, if the applicant is the Chief Executive, then the Director General is to authorise the form.

The following procedures apply for the issue of a PCard.

1. The **PCard Application Form** can be accessed through the HCN intranet website. The PCard application form and the attached Terms & Conditions should be completed and authorised then sent to the HCN PCard Administrator who arranges the ordering of the PCard. A copy of the authorised **PCard Application Form and Terms & Conditions** is to be retained by the HCN PCard Administrator within the Register of PCard Holders.
2. When the card is ready for collection (email notification). The PCard will then be issued by the HCN PCard Administrator.
3. For those who are not able to collect their cards personally, the HCN PCard Administrator will arrange for delivery via secure postage/courier.
4. The card holder and the associated Approving Officer will be provided with user manuals and temporary passwords to the FlexiPurchase system at the time the PCard is issued.

Security

Two levels of security are imposed on the operation of PCards.

Security Imposed by the PCard Supplier

- The PCard is to be used **only** by the named officer on the PCard. It must not be shared with, or be used by, other individuals. The card holder is responsible for all transactions made on the card.
- The PCard Administrator must have a signed and authorised copy of the **PCard Terms and Conditions** prior to the PCard being issued .
- Immediately on receipt, the card must be signed by the card holder.
- Each card has a preset transaction line limit and a credit limit, to which the card holder must adhere.
- The PCard Supplier and the HCN PCard Administrator must be notified immediately in the event that a card is lost or stolen.

Security Required by WA Health

- Strict care must be taken with custody and use of a PCard.
- The PCard must only be used for official purposes.
- Prior to being issued with the card and password to FlexiPurchase system, all applicants are required to:
    - provide photographic identification such as passports or drivers licences, and
- Misuse of the card may result in:
    - the PCard being suspended by the HCN PCard Administrator; and/or
    - charges being brought against the card holder under either the Public Sector Management Act 1995 (which could result in demotion or dismissal) or the Financial Management Act 2006 (which could result in imprisonment) under the Criminal Code Compilation Act 1913 or under the Corruption Crime Commission Act or by action under any other Acts.
- The Finance Director authorising a **PCard Application Form** is responsible for determining the financial limits to be applicable to that card holder, subject to that **Health Entity's** Financial Authorisation Policy and Schedule.

Additional Guidelines for Use, Reconciliations and Authorisation

A detailed PCard User Manual is provided by the HCN PCard Administrator to each card holder and Approving Officer, when cards are issued.

Purchasing / Paying in Person with PCards

Each transaction must be supported with either:

- an invoice/receipt - for purchases of or below $75 excluding GST; or with
- a tax invoice - for transactions above $75 excluding GST.

Expenditure of less than $75 (excluding GST) must be supported by the invoice/receipt that incorporates the following information:

- A detailed description of the goods or service (e.g. courier fees, library books). A description like "various" or "goods" **is not** acceptable.
- The name of the supplier.
- The exact value of the transaction.
- The date of purchase/payment of the goods/service.

- Price (for each individual item, if multiple item invoice) GST inclusive or exclusive.

Card holders are to retain and file for audit purposes copies of invoices and supporting documentation received for goods and services. **Under no circumstances** is this documentation to be forwarded to HCN as it may result in a duplicate payment. For similar reasons, requisitions are **not** to be raised for goods or services purchased via PCards.

Purchasing / Other than "Paying in Person"

Other circumstances when a PCard can be used include payment over the telephone or online for purchases via the internet. In these circumstances the card holder must endeavour to have the words "paid by credit/purchasing card" included on the tax invoice or on the invoice /receipt – to help reduce the chance of a duplicate payment.

Accounting for PCard Transactions

All purchase transactions must be coded before the 10th day of each month to:

- the appropriate expenditure account; and
- the relevant cost centre available for each card holder in FlexiPurchase system.

All purchase transactions appear on card holder's online account statement within 24 to 48 hours. Each individual transaction needs to be accepted and coded by the card holder. Every Wednesday, the card holder receives an email notification identifying transaction(s) waiting coding and a further email on the 4th of the month if any of the transactions remain outstanding.

Once coded, the transactions are automatically sent to the Approving Officer for approval. An email notification is sent to the Approving Officer each Friday identifying uncoded items.

On the 5th of each month, if coding is outstanding, an email goes to that **Health Entity's** Finance Branch for follow-up. In circumstances where coding is not completed by the 10th, then those items not coded will, be posted to a predetermined account code within that card holder's cost centre (as nominated on the PCard Application Form) and the Approving Officer notified by email. It is the card holder's responsibility to arrange for any further journal transfer to clear this entry.

If the card holder regularly fails to code on time, then the PCard will be suspended and the card holder will have to contact the HCN PCard Administrator to seek to have the card reactivated.

Card holders are required to retain and file copies of tax invoices and/or invoices/receipts as attachments for each individual transaction (these documents are not to be forwarded to HCN). The Approving Officer may view these documents before approving the expenditure. The Approving Officer has the authority to override the account code and cost centre previously selected by the card holder.

The WA Health bank account is direct debited monthly, by the PCard supplier, for transactions recorded against PCards.

Invoice Entry to Oracle Financials

The contract with the PCards supplier requires that expenditure incurred on the statements will be directly debited to a WA Health Bank Account after the statement period has closed. When the bank account is debited, a HCN Finance Officer records the payment against the high-level PCard Clearing Account within the general ledger.

When the transactions are reconciled in FlexiPurchase, the HCN PCard Administrator checks the monthly PCard account statement, confirms the amount charged to the bank account, and arranges for the mass uploads into the general ledger. A journal will be posted to credit the high-level PCard Clearing Account and debit individual card holder's cost centres and expense accounts as per the original coding.

At the end of the month's transactions the high-level PCard Clearing Account must be returned to a zero balance (i.e. after posting all journals).

506 Fleet Management and Fuel Cards

Overview

The Department of Health has a policy on Fleet Management and Fuel Cards called *"WA Health Motor Vehicle Fleet Policy"*.

The objective of this policy is to provide a framework for improved management of all Western Australia Health passenger and light commercial vehicles. This policy will:
- Ensure that motor vehicles are selected, acquired, and used in ways that provide the best possible support to WA Health operations;
- Optimise the efficiency and effectiveness of the fleet to achieve both operational and financial benefits.
- Ensure consistency with the department's strategic direction and accurately reflect the WA Government's Fleet Policy and Guidelines - October 2007.

Health services are required to comply with the requirements of this policy unless an appropriate exemption has been granted in writing by the WA Government Fleet Steering Committee Framework.
There are some exemptions where this policy would not apply, e.g. vehicles accessed by employees under private leasing arrangements such as novated leasing.

Agencies are encouraged to have a Strategic Fleet Management Plan in order to establish and maintain the most cost effective balance of fleet composition and utilisation to achieve their operational needs.
The Common Use Agreements that are mandatory for all State government bodies, are also applicable to Health. The CUA 21083 covers this. http://infopage.gem.wa.gov.au/docs/CUA_Information_021803.htm

State Fleet is a branch of the Western Australian Department of Treasury and Finance responsible for the funding, management and operation of the State's passenger and light commercial vehicle fleet of more than 10,000 vehicles.

SG Fleet WA, are the government's vehicle fleet managers selected by WA Health to manage their vehicles from the Common Use Contract arrangement 'Motor Vehicle Fleet Services (CUA 021803 - mandatory - expires 31 October 2010). http://infopage.gem.wa.gov.au/docs/Buying_Guide_-_021803.pdf

The "Buyer's Guide" by DTF provide guidelines for both Fleet Management and Fuel & Petroleum products, this includes the Fuel Cards. For Fuel Cards, CUA agreement no. 7807 can be accessed by the following link: http://infopage.gem.wa.gov.au/docs/Buying_Guide_-_7807.pdf

The Fuel and Petroleum Products Contract CUA 7807 is mandatory for all WA public authorities state-wide to use. This contract stipulates how the contract can be used, what's on offer, who the contractors are, and how much will it cost. It covers items such as fuel cards to the cost of buying direct from manufacturers.

Legislative/Policy Base

WA Government's Fleet Policy and Guidelines
State Fleet Guidelines, by Department of Treasury and Finance (DTF)
WA Health Motor Vehicle Fleet Policy
Motor Vehicle Fleet Services (CUA 021803)
Fuel and Petroleum Products (CUA 7807)

Policy
Refer to WA Health Motor Vehicle Fleet Policy and to Fuel and Petroleum Products (CUA7807).

Guidelines
Refer to the Department of Health Fleet Policy and Guidelines. Also to the DTF's Buying Guide 7807 and 21803. Links are found below.

http://infopage.gem.wa.gov.au/docs/Buying_Guide_-_7807.pdf
http://infopage.gem.wa.gov.au/docs/Buying_Guide_-_021803.pdf

507 Cabcharge Facilities

Background

Cabcharge is a taxi charge account system that provides customers with a convenient way to pay for Taxis without using cash.

WA Health entities currently use the following Cab charge payment methods:

- Cabcharge Cards (Cabcharge Credit Cards) issued to approved individuals only.
- Account Coded Dockets (blue paper dockets issued in books of 50); and
- Electronically coded E Tickets (issued in ticket blocks of 50).

Cabcharge has a stated strategy to phase out the Account Coded Dockets and replace them with E tickets. It is planned that eventually E Tickets will totally replace Account Coded Dockets and move towards electronic processing. Both these options are currently in use within WA Health together with a minimum number of Cabcharge Charge Cards allocated to Tier 4 managers and above.

Account Coded Dockets are the most commonly used Cabcharge payment method within WA Health. These Account Coded Dockets, printed in books of 50, allow all required information to be manually entered on to the dockets. The dockets are scanned by Cabcharge and returned with a photocopy of each used docket and attached to the appropriate invoice.

The E Ticket is a single trip, disposable card featuring a magnetic strip like any credit/charge card which will incorporate account details, ticket number and validity dates. The E Tickets incorporate security measures with ability to 'hotlist' the E Tickets which means fraudulent activity or lost and stolen cards can be minimised. Additionally, in the future a maximum fare value may be included to minimise their misuse. E Tickets carry much less information than the Account Coded Dockets so additional system controls may be required to ensure E Tickets can provide the same, or a similar, level of control as Account Coded Dockets.

Cabcharge may at its discretion issue E Tickets in place of, or in addition to, Account Coded Dockets. E Tickets will be issued with limited validity dates and will have an expiry date encoded and printed thereon. Also, E Tickets are for use via an electronic terminal and the fare will appear on an electronic statement in data format and is not currently imaged and returned to the account holder as with Account Coded dockets.

E Tickets have limited capabilities in the amount of information they can carry. Currently the E Tickets are pre-coded with the following:

- Account Number;
- Account Name;
- Ticket Number and Date Valid To;
- On completion of the trip the E Ticket is encoded in the Taxi with GPS Trip Start and Finish locations;
- The total fare is keyed in by the Taxi Driver; and
- Details of the Cab Company, Taxi Number, ABN/RRN, Time and Date, are encoded automatically by the electronic equipment in the cab.

There is no current capability to record specific use vis-à-vis Patient, Escort, Staff or Other (Blood, Pathology Specimens, etc.) data. Until Cabcharge effects changes to E Tickets WA Health entities must manually record and monitor the issue details if correct and appropriate allocation of costs is to occur.

WA Health utilises the Cabcharge facility offered by the majority of local taxi organisations. Cabcharge uses only licensed operators from bona fide taxi groups.

Legislative/Policy Base

Financial Management Act 2006 (FMA).
Treasury Instruction 701
Health Supply Commission Policy Manual
(1.2 Supply of Goods and Services)

Delegations

Refer to the Authorities, Delegations and Directions Schedule.

The delegated Cabcharge Account Holder or Authorised Officer is responsible for ordering, receiving and security of Cabcharge Account Coded Dockets and/or E Tickets. The same officer is responsible for allocating and recording the issue of Account Coded Docket books or batches of E Tickets to Cost Centre Managers as required. See chapter 204 of the Health Accounting Manual regarding the requirement to keep a register of monetary forms.

Authorised Officers are responsible for holding and securing all Cabcharge Account Coded Dockets and/or batches of E Tickets released to them. These officers are responsible for issuing individual Dockets or E Tickets to staff, patients or escort staff for which they are directly responsible.

Policy

The use of the Cabcharge facility for payment of Taxi fares is restricted to WA Health Entity business. This includes staff travel on official business, authorised patient travel, escorting of patients and transportation of WA Health related items (e.g. Pathology items, etc).

Staff may, under extraordinary circumstances, be authorised to use the Cabcharge facility for what may be regarded as a 'private' nature such as to transport a sick member of staff home. This extraordinary use must be authorised by a senior manager and only adopted as a last resort.

WA Health staff who need to utilise the services of a taxi in the performance of their duties can arrange payment by one of the following means:

- **Utilisation of a personal Cabcharge Charge Card (as issued to Tier 4 managers and above);**
- **A Cabcharge Account Coded Docket issued by an Authorised Officer;**
- **A Cabcharge E Ticket issued by an Authorised Officer; and**

- **Payment of the fare by cash, collecting a receipt from the cab driver and claiming a reimbursement from the Health Entity's cashier.**

The recommended practice is to use a Cabcharge Account Coded Docket or E Ticket.

Establishment of a new Cabcharge Account must be authorised by the WA Health Entity Finance Manager and an appropriate person/position be nominated as the Account Holder.

Each Health entity must have their own account(s) with Cabcharge and the Account Holder should be responsible for the ordering, issuing, monitoring, administering, authorising and accounting for all Charge Cards, Account Coded Dockets or E Tickets. The Cabcharge account holder or authorised officer must retain direct control of all issued and unused account coded dockets or E Tickets at all times and comply with the regulations regarding monetary forms as described in Chapter 204 of the Health Accounting Manual. The Cabcharge Account Holders account will be charged for any charges arising from the use (or miss-use) of Charge Cards, Account Coded Dockets or E Tickets within their control.

The Cabcharge Charge Card is administered in a similar manner as a Corporate Credit Card. Cabcharge Charge Cards are issued only to Tier 4 Managers and above. They are not transferable and may only be used for business travel by the person to whom they have been allocated. Use of the Card Charge for personal travel may result in the cancellation of the Card and disciplinary action against the card holder.

Procedures

Appropriate accounting procedures are to be in place to assure usage of the Cabcharge System complies with the financial requirements of the Financial Management Act 2006.

Cabcharge Account Establishment

Establishment of a new Cabcharge Account must be authorised by the Health Entity Finance Manager and an appropriate person/position be nominated as the Account Holder to administer the account and authorise invoice payment.

Prior to establishing a new Cabcharge Account careful consideration should be given to whether a new account is required. New cost centre allocations can be attached to existing accounts therefore considerably reducing the need to establish new accounts. If accounts are not used, each account is subject to a standard charge (as designated by Cabcharge) for each unused period. Therefore before new accounts are established Health Entities should review existing accounts to see if any account not currently being used could be transferred for use by proposed new account holder.

Each Health entity must apply to Cabcharge to establish a new account. The initial application to Cabcharge is made via the internet Cabcharge Website on the Cabcharge Account Request Form. (http://www.cabcharge.com.au). A formal hard copy form will be mailed out direct to the new account holder applicant from

Cabcharge head office. Cabcharge will allocate an account number for which an invoice will be issued to the nominated account holder for each statement period.

Subsequent applications for batches of Account Coded Dockets or E tickets must follow standard WA Health Supply Procedures on the correct Cabcharge re-order forms, with the appropriate authorisations and the account holders address and contact name.

Cabcharge Charge Card

The Cabcharge Charge Card holder is responsible for the security and use of the Charge Card and should be able to account for all incurred taxi charges which appear on the invoice. Collection of a receipt from the taxi driver each trip will ensure that any invoice queries can be validated.

Monthly Invoices for Charge Cards are sent to the Account Holder, verified, authorised and sent to HCN Accounts Payable for payment.

Cabcharge Account Coded Docket and E Ticket Ordering

The Cabcharge account holder will be responsible for ensuring there are sufficient stocks of Account Coded Dockets and/or E Tickets on hand to meet immediate needs. With the exception of RPH Supply Warehouse the account holders should be aware that Account Coded Dockets and E Tickets are not held in stock by Cabcharge and are only printed when required. Consequently five to seven days should be allowed when requesting new supplies. Only the nominated account holder will be authorised to order new Account Coded Dockets or E Tickets from Cabcharge.

Account Coded Dockets and E Tickets will be supplied in books or blocks of fifty (50) and will be encoded with the name of the account holder as well as the account number, and may include additional information and account name descriptions or titles. Both Account Coded Dockets and E Tickets are sequentially numbered.

Cabcharge Account Coded Docket and E Ticket Recording and Issuing

On receipt of Cabcharge Account Coded Docket Books or E Tickets they should be recorded and securely stored by the account holder. Dockets and E Tickets should be treated as monetary forms and should comply with (TI 701). The account holder should implement a process to ensure adequate stocks are on hand for issue and allocation to Cost Centre Managers or other designated staff when requested.

The account holder should maintain a register of issued Cabcharge Account Coded Docket Books and/or Blocks of E Tickets. The register should include the following information:

- Date of Issue;
- Issued to (Name);
- Issued to (Signature);
- Department Name Issued to;
- Cost Centre Number Issued to;
- Docket or E Ticket Batch Numbers (From and to sequential numbers); and
- If using a data-base, a data entry check-list can be optional.

Security of Cabcharge Account Coded Dockets and E Tickets

Cabcharge Account Holders should emphasise to Authorised Officers that Cabcharge Account Coded Dockets and E Tickets are valuable documents. It is essential that only individual Account Coded Dockets or E Tickets are issued for taxi fare payment and the remaining books and blocks of E Tickets are secured in a safe and lockable storage facility.

The management of Cabcharge Account Coded Dockets and E Tickets should comply with the Control of Monetary Forms Policy in section 204 .

Use of Cabcharge Charge Cards, Account Coded Dockets and E Tickets to pay for Taxi Fares

WA Health staff, patient escort staff or patients who are authorised to utilise the services of a taxi service can do so by collecting a Cabcharge Account Coded Docket or E Ticket from the Cabcharge Account Holder or Authorised Officer. These dockets or tickets can be used in any cab from a licensed taxi operator from bona fide taxi groups that are franchisees of the Cabcharge organisation. It is advisable to check with the cab driver prior to the commencement of the journey that the cab chosen is a member of the Cabcharge franchise and has the electronic capability to accept E Tickets.

Charge Card
The Cabcharge Charge Card is used as any other credit card and swiped through the EFTPOS terminals fitted to most bona fide taxi groups. A printed receipt for the trip is available from the taxi driver at the conclusion of the trip.

Charge Cards are not transferable and may only be used by the person to whom they have been allocated. Specific invoices are created for fares charged to Cabcharge Charge Cards. A receipt for the payment should be requested at the completion of the journey.

Account Coded Docket
The Account Coded Docket is currently the main method of payment for users of the Cabcharge system. The passenger (or authorising officer if sending specimens etc.) is required to complete the following information on the Account Coded Docket prior to handing to the taxi driver at the conclusion of the trip.

- Cost Centre Number (Essential); (*Use Account Name Field).*
- Patient, Escort, Staff or Other (Essential); (*Use Account Name Field).*
- Trip Explanation, (Meeting, etc.)
- Date (Essential);
- Taxi Number (Essential);
- Taxi Group (Essential);
- Start/Finish Time (Essential);
- Trip Details (Essential);(Departure Location/Arrival Location)
- Fare (in words) (Essential);
- Fare (in numbers) (Essential);
- Passengers Signature (Essential);
- Drivers Name (Optional);
- Drivers ABN (Optional); and
- Drivers Authority Number (Optional);

Note: Account Information should be pre-printed on the docket.

The Account Coded Docket is retained by the taxi driver. The passenger can request a receipt in a format similar to a credit card receipt or hand written receipt card and return to the Cabcharge Account Holder or Authorised Officer on return to the Health Entity.

Never hand a signed blank or incomplete docket to a driver other than for a special arrangement non-passenger carrying journey.

E Ticket

The E Ticket is a single use disposable card featuring a magnetic strip like any credit/charge card which will incorporate account details, ticket number and validity dates. The taxi driver inserts the E Ticket into the EFTPOS terminal at the end of the journey and keys in the taxi fare via the key pad. The trip details i.e. pick-up and set down points are automatically captured by the GPS co-ordinates and printed on the receipt. The details entered are transmitted to the host for verification and approval at which time the E Ticket is recorded as used and cannot be re-used.

A receipt is printed for the passenger to sign, which will be retained by the driver together with the used taxi E Ticket. A second copy of the receipt should be requested (similar to a credit card receipt or a hand written receipt card). The receipt(s) should be returned to the Cabcharge Account Holder or Authorised Officer on return to the office.

If the selected cab does not have a serviceable EFTPOS system the passenger should hand the taxi driver the E Ticket who can then use an emergency Green Paper Docket, which all taxis should carry. The passenger can then fill in the trip details in both words and figures and sign it in the same manner as the blue Account Coded Docket. The driver will attach the E Ticket to the emergency green docket. There is no need to write account details on the E Ticket as these are pre-coded and printed on the document. Under no circumstances should the passenger pay cash and hand over an E Ticket that may not have worked.

Non Passenger Taxi Journeys

If the taxi is to be used for transporting goods or specimens (not passengers) special arrangements should be made with the Taxi Company to ensure the process is monitored and the potential for overcharging or fraud minimised. This could be achieved by either agreeing a price for the journey prior to transportation or signed for on receipt of goods or specimens.

Recording and Reconciliation of Cabcharge Account Coded Dockets and E Tickets

At the end of each statement period Cabcharge will send a tax invoice statement to the Account Holder. On receipt of the tax invoice by the account holder a dated received stamp should be applied. Attached to this invoice will be photocopied images of the account coded paper dockets or a summary print-out of the used E Tickets. The Account Holder should then input the taxi charges against the appropriate cost centre and account code for type of travel eg. Staff, Patient, Escort or Other in the data base or spreadsheet, balance the Docket/E Ticket summary with the invoice total and authorise for payment. The attachments should be used to reconcile and summarize the costs attributed to each cost centre.

If the account holder is using a data-base or spreadsheet recording system the pre-recorded number sequence will determine if the correct cost centre has been allocated and charged correctly. The summary of the attachments should balance with the Cabcharge invoice and should incorporate taxi fares (excluding GST), GST amount, taxi fares (including GST), and Cabcharge service fee and if appropriate liquidated damages.

If there is an imbalance a line by line analysis is required to correct the error. If using a database system there should be an automated validation of the summaries and invoice.

Authorisation of Cabcharge Invoice

Once the appropriate summaries and invoice balance, the account holder can authorise the invoice for payment. An approved for payment stamp should be applied to the invoice and should include the following information:

- Account Number;
- Cost Centre;
- Date;
- Authorising Officer Name (printed);
- Authorising Officer (Approved By) Signature;
- Authorising Officer Position; and
- Authorising Officer Contact Number.

Once all the reconciliation and approvals have been completed and signed off, the invoice should be sent off to HCN Accounts Payable for payment.

Lost or Stolen Charge Cards, E Tickets or Dockets

The relevant Cabcharge Account Holder must be informed immediately if a Charge Card or E Ticket is lost or stolen. In turn, the Cabcharge Account Holder must immediately notify Cabcharge if a Charge Card or E Ticket(s) are lost or stolen and must confirm such notification in writing stipulating the Charge Card or E Ticket number(s). The account holder remains liable for any docket or electronic transaction dated on or prior to the date of notification.

Account Coded Dockets are not open to cancellation and the account holder remains liable for any lost or stolen account coded dockets dated on or prior to the date of notification. The account holder is further liable for lost or stolen Account Coded Dockets dated after the date of notification, but with a maximum of $1,000 for the first book or part thereof, an additional $500 for each additional book or part thereof in any event of loss or theft of multiple books in any one instance.

If a whole book of dockets or batch of E Tickets is lost or stolen advice to Cabcharge is the same as above with the additional requirement as per section 204.

Cabcharge Conditions of Use

More comprehensive and detailed information and conditions of use for Charge Cards, Account Coded Dockets and/or E Tickets can be found in the Cabcharge Account Conditions of Use located on the Cabcharge Website.

Guidelines

These guidelines have been prepared to inform users of Cabcharge Charge Cards, Cabcharge Account Coded Dockets and E Tickets of their obligations in respect to the use of such documents for taxi usage.

Cabcharge Account Coded Dockets and E Tickets should only be used for the trip as originally designated by the Cabcharge Account Holder or Authorised Officer and by the individual to whom it was issued. If the Account Coded Docket or E Ticket is not used it should be returned to the Cabcharge Account Holder or Authorising Officer for re-issue.

In the event of an Account Coded Docket or E Ticket being lost the person who lost the docket or ticket must advise the Cabcharge Account Holder immediately to ensure Cabcharge is advised to cancel the lost or stolen docket or ticket.

Taxi users must ensure that Account Coded Dockets are completed fully, the correct fare inserted and the docket signed prior to handing to the cab driver.

E Tickets should be signed for and a receipt produced by the taxi driver at the conclusion of the trip. Receipts can be requested from the taxi driver for payments made either by Charge Cards, Account Coded Dockets or E Tickets.

Each Account Coded Docket is valid only for a maximum amount of $100 unless the hiring of the taxi cab is booked by telephone from a verifiable business or private residential address. No more than one Account Coded Docket may be used for any single journey.

508 Library Vouchers

Overview

A Library Voucher system, which is operated by the Australian Library and Information Association (ALIA) facilitates inter-library lending system. Vouchers are used as payment for loans of publications, photocopies or microform copies made for retention by another library. The scheme was introduced to provide a simple and secure form of inter-library currency with a minimum of record-keeping.

ALIA interlibrary loan vouchers are redeemable vouchers purchased from the Association and used by libraries as payment for inter-library loans or copies of articles and other information made by one library or information service for use by another library or information service. The scheme provides a simple and secure form of interlibrary currency and meets GST requirements.

Vouchers with face values of $12, $9, $6, $3, $1 and $1.20 may be purchased in books of 50. Vouchers with face value of $0.30 may be purchased in books of 100.

WA Health Entity libraries transact using vouchers with other partner libraries which do not accept direct debit payments.

Legislation/Policy Base

Treasurer's Instructions, Part III Payment of Money

Policy

Library Vouchers are treated as a mode of payment and purchase and have to be properly accounted for.

The vouchers are to be used only by the authorised librarians and for the approved transactions. Redemption of vouchers must be authorised by the Librarian in charge. At each library, a monthly summary of transactions must be reconciled to the monthly net balances of vouchers.

The vouchers are to be kept in a secure location at all times.

Procedures

Whenever a book of vouchers is purchased, subject to library membership of the particular system, normal purchasing and payment process applies. Libraries may choose to pay for the voucher book with a P-Card.
Each voucher must be validated by the librarian initially purchasing it. As a security measure, librarians must validate the vouchers on receival. Vouchers may be re-used and may be redeemed by ALIA.

To redeem the vouchers ALIA's procedures are to be followed and recommended forms used.
Money received (see revenue/collection of public money/banking/receipting) from these transactions is to be credited to Inter Library Loans/Membership Account.

GST rules apply to transactions and payments through the library vouchers.