

**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
SUPPLEMENTARY INFORMATION
DEPARTMENT OF HEALTH HELD ON
MONDAY, 23 NOVEMBER 2009**

QUESTION B1

Hon KEN TRAVERS asked Dr Flett on what date did he first indicate to the minister that WA Health intended to use the restricted funds to meet the cash flow requirements of metropolitan public hospitals?

ANSWER:

The Director General discussed using the Special Purpose Account (SPA) funds with the Minister for Health on 10 June 2009.

QUESTION B2

Hon KEN TRAVERS asked whether there were any other expenditures that were deferred in accruing so that they did not occur last year and accrued after 1 July this year as part of the management of your finances?

ANSWER

WA Health accrued all expenditure attributable to 2008/09 in its 2008/09 accounts.

QUESTION B3

Hon KEN TRAVERS asked if a breakdown of special purpose accounts (SPAs) can be provided to show the different categories of accounts.

ANSWER

The table below summarises SPA balances by Health Service and Hospital as at 30 June 2009.

SPA balances as at 30 June 2009		SPA Balance	Number of SPAs
Area Health Service	By Hospital	\$	
Pathwest		8,617,613	77
South Metropolitan	Royal Perth Hospital	29,181,261	
	Fremantle Hospital	8,010,972	
	Peel Hospital	134,217	
SMAHS		37,326,449	484
Child & Adolescent	Princess Margaret Hospital	12,804,925	
CAHS		12,804,925	160
North Metropolitan	Kalamunda Hospital	88,064	
	Grayland Hospital	834,907	
	Osborne Park Hospital	407,164	
	Sir Charles Gairdner Hospital	33,839,966	
	King Edward Memorial Hospital	2,219,409	
	Swan Hospital	557,377	
NMAHS		37,946,886	485
Grand Total		96,695,874	1,206

SPAs may be generally categorised into the following:

A General: General accounts are those at a hospital level, with funds sourced from general donations to the hospital rather than to a specific department. They are used for hospital specific purposes at the discretion of the hospital executive which may include grants for special minor projects and to allied special interest groups such as Art Committees, Museum groups, specifically approved travel and staff development, etc. Accounts of this nature exist for SCGH, KEMH, PMH, Graylands, Osborne Park, Swan Districts and Kalamunda Hospitals.

B Corporate: Accounts associated with corporate business functions, trading enterprises, interest distribution, private practice distribution, interest suspense, overseas patients deposits, museum and art committee accounts and miscellaneous accounts that do not fit into other groupings. Revenues come from a range of sources including donations, interest, trading enterprise revenues, private practice billings, deposits and transfers from other accounts. Their purposes are all distinctly limited to the functions of each account which tend to be fairly circumscribed.

C Departmental: Accounts linked to individual departments or divisions within a hospital. These can include specific donation accounts, accounts linked to specific private practice functions, specific training and development accounts, specific program accounts linked to external funding for a project/workshop, etc. Revenues are derived from donations, grants, interest, private practice billings, transfers from other SPAs and minor business activities. Purposes are limited to functions as per their terms of reference and are usually restricted to the activity of that particular department or division.

D Research: These accounts exist at the teaching hospitals and are specifically linked to research activity that is not funded from Operational (non-SPA) accounts. There are three types ; **a.** General, **b.** Tied or Departmental and **c.** Project.

Da. General research: Bulk funding accounts that deal in overall grants from Foundations and apportionments of interest from overall interest. These do not fund individual research activities but oversee and fund tied and project research. Accounts of this nature exist for SCGH and PMH.

Db. Tied or Departmental research: Research accounts tied to specific functions or departments. These are linked exclusively to research activities and are used where multiple projects are happening at the same time from the same account. Examples of this are Cancer Research, Diabetes Research, and Nursing Research. Funding is from donations, grants, interest, pharmaceutical and other business funding. They are used for all costs associated with the research including staffing, consumables, travel and equipments.

Dc. Project research: These are research accounts tied to specific projects. Funding is from donations, grants, allocations from General research and Tied research accounts. They are used for all costs associated with the research including staffing, consumables, travel and equipments. Project accounts tend to be limited in duration to the length of the particular project which may be from a few months to many years depending on the research itself.

E Staff development: These are accounts linked to education and staff development including travel to attend conferences for employment groups across hospitals. Funding is derived from private practice arrangements in accordance with Award provisions, staff travel fund contributions, donations, interest and allocations from General Purpose accounts. Expenditure in this area includes registration fees, accommodation and airfares, course fees and other items linked to education and staff development.

Examples of restricted SPAs are attached.

Type of SPA	Cost Centre	Cost Centre Name	Site	Balance	Established	History/ Comments	Purpose	Revenue	Expenditure
A General	0406969	NMHS GENERAL PURPOSE ACCOUNT	NMAHS	226,372.40	25Sep09 Jun-87	Transferred from SCGH Board of Management Reserve, later to Chief Exec SPA (2000); NMAHS Development Fund (2003); NMAHS Gen Purpose (2009)	General purposes SPA for funding of projects, staff development and other purposes of the NMAHS Executive	Interest distribution from SPA's and commercial licensing arrangements.	Grants to internal projects, staff development and education, equipment
	0307262	0307262 - PMH GENERAL PURPOSES ACCOUNT	PMH	1,032,294.24	Pre-1988	Existed pre-1988 as general donation and other trust fund, to PMH Gen Purposes SPA in 2000	General purposes SPA for funding of projects, staff development and other purposes of the PMH Executive	Interest received from gross SPA investments; donations to PMH	Grants to internal projects, staff development and education, equipment
B Corporate	0402808	INTEREST INCOME	NMAHS	353,603.62	Jul-87	Account for credit of gross interest prior to distribution to other SPAs	To provide a clearing account for interest received from non specific investments.	Interest received from gross SPA investments.	Distribution of interest to SPAs
	0307211	AUSPMAN WACMF DAILY OPERATION	PMH	497,048.58	Pre July 1990	Account established to run WA Pharmaceutical Manufacturing Facility based at PMH - trading concern set up by DOH and the Board of PMH pre 1990.	Meet running costs of the pharmaceutical manufacturing facility	Income from sales	Salaries and consumables
C Departmental	0406970	RADIATION ONCOLOGY EQUIPMENT ACCOUNT	SCGH	8,814,578.24	Aug-88	Account that accumulates funds from Commonwealth for Radiation Oncology equipment generated by private practice arrangements	To provide funds for refurbishing or acquiring radiation oncology equipment.	Health Program grants from the department of community services and health	Expenditure on refurbishment or acquisition of radiation oncology equipment.
	0406009	EAMS EDUCATION & RESEARCH NURSING ACCOUNT	SCGH	85,680.67	Jul-04	Departmental account set up for Emergency and Acute Medicine Division when created in 2004.	Education, research, attendance at conference	payment from private patients, donations, overseas patients	Educational material, flights and accommodation to conferences, employment of research staff.
D Research									
Da. General research	0402441	MEDICAL RESEARCH DEV. ACCOUNT	SCGH	634,688.41	Jun-01	General medical research funding account set up to run from share of gross SPA interest to fund research projects	Payment of expenditure to support research development.	Interest earn on research accounts	Office expenditure, travel expenditure, purchase of Journals and other text.
Db. Tied or Departmental research	0402188	MESOTH & ENVIR ASBESTOS	SCGH	140,236.61	Dec-91	Specific research area account for research into this field	Research into the health effects of asbestos exposure	Bequests from patients	Staffing costs for research, equipment, consumables
Dc. Project research	0402374	GUOG PHASE 11 STUDY	SCGH	94,081.80	Dec-98	Specific research project	Support, running and analysis of study of intermittent androgen blockade in the treatment of prostate cancer	Schering Plough Pty Ltd and Abbott Australasia Pty Ltd grants	Data management, promotions, presentations, studies, reimbursements to patients
	307668	HAPPINESS IS A DRY BED STUDY 934/EP	PMH	7,504.32	Jan-04	Specific research project	To cover costs incurred in the conduct of research specifically related to the relapse rates of children suffering with primary nocturnal enuresis who have been treated using the PMH bedwetting program	PMH clinical research seeding grant	Stationery, data entry and database setup, transcription of data, conduct of focus groups
E Staff development	0403250	CLINICAL STAFF EDUCATION ACCOUNT	SCGH	2,722,348.26	Jul-94	Medical education funds established as per requirements of AMA award s.30	Education, conference, study leave, SCGH Medical staff	Private Practice Fund 3 - Option B funds as per AMA award	Education, conference, study leave for SCGH Medical staff
	0307216	F-T CLINICAL STAFF	PMH	475,667.75	PreMay1988	Medical education funds established as per requirements of AMA award s.30	Education, conference, study leave, PMH Medical staff	Private Practice - Option B funds as per AMA award	Education, conference, study leave for PMH Medical staff